

2024

A MUNICIPAL GUIDE TO

RSA 79-E

COMMUNITY REVITALIZATION
TAX RELIEF INCENTIVE



NEW HAMPSHIRE
HOUSING



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INTRODUCTION



As New Hampshire's population growth outpaces housing production, cities and towns across the state are facing complex housing challenges, including, but not limited to, lack of supply, unaffordability, and a limited range of housing options.

While originally seen as a tool for historic preservation, RSA 79-E has become an important incentive for creating new housing in several New Hampshire communities. RSA 79-E is a property tax relief program that seeks to encourage investment and development in downtowns and village centers. It offers temporary tax relief to property owners willing to reinvest in older, obsolete properties and return them to productive use.

This guidebook, *A Municipal Guide to RSA 79-E Community Tax Relief Incentive*, was prepared for New Hampshire Housing by Barrett Planning Group LLC. It is intended to help communities interested in using the Community Revitalization Tax Relief Incentive (RSA 79-E) to address local housing challenges. In addition to the already familiar tools in RSA 79-E, the guide discusses new opportunities that exist under amendments to the law, including Housing Opportunity Zones and Residential Property Revitalization Zones. In the following pages, readers will find:

- A review of existing RSA 79-E, including a discussion of successes and challenges informed by interviews with municipal staff and developers, and site visits;
- Case studies; and
- An explanation of Residential Property Revitalization Zones (RSA 79-E:4-b) and Housing Opportunity Zones (RSA 79-E: 4-c), enacted in 2021 and 2022, and how these tools can be adopted and applied to a variety of needs.

RSA 79-E offers cities and towns a tool to encourage property owners and developers to invest in meaningful rehabilitation projects that advance local planning goals and address community development needs. Projects assisted with RSA 79-E tax relief deliver significant public benefits, such as preserving and rehabilitating historically significant buildings, stimulating downtown economic activity, and increasing a community's housing supply.

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1. WHAT IS RSA79-E?



1.1 RSA 79-E: Community Revitalization Tax Relief Incentive

The Community Revitalization Tax Relief Incentive provides temporary tax relief for a property owner to rehabilitate an underutilized building most commonly in a village center or downtown area. Authorized under RSA 79-E (*refer to Appendix A for a full version of RSA 79-E*), the tax relief incentive took effect April 1, 2006, and the NH Legislature has amended it several times since then.

As a state statute, RSA 79-E is “enabling legislation,” which means a city or town has the option to adopt and implement it. Any community can adopt the program by a majority vote of its legislative body. Thereafter, a property owner who wants to substantially rehabilitate a building located in the community’s designated areas, such as a downtown or village center, may apply to the local governing body – the Select Board, Town Council, or City Council. If approved, the property owner receives relief from increased property taxes for up to 15 years, depending on the project specifics and the governing body’s discretion. For substantial rehabilitation, the tax relief period can be up to five years (at the governing body’s discretion). The governing body may grant additional years for specific benefits:

- Up to two additional years for projects that create new housing units;
- Up to four additional years for the inclusion of affordable housing; and
- Up to four years for the substantial rehabilitation of a property on the National Register of Historic Places or State Register of Historic Places, or if it is located within and is important to a locally designated historic district (if rehabilitation complies with the U.S. Secretary of the Interior’s Standards for Rehabilitation).

In exchange for the tax relief, the property owner grants a covenant to the community for a certain period of years as determined by the governing body, ensuring the property will provide the identified public benefit(s). In certain limited circumstances, the tax relief may also be applied to replacing buildings instead of rehabilitating them.¹

The tax relief period is intended to encourage development projects that may otherwise not happen. Tax relief under RSA 79-E is not permanent. It delays the increase in property taxes resulting from the property’s higher post-rehabilitation value. Once the relief period expires, the property is taxed at its total post-rehabilitation market value.

1.2 Qualifying Structures

A property owner can apply for the tax relief only if:

- The building is in a downtown district (or equivalent neighborhood business district), as defined by the community;² or is a historic structure whose preservation and reuse would conserve the embodied energy in existing building stock³; (*Refer to 1.5 Amendments*)
- The rehabilitation costs at least 15% of the building’s pre-rehab assessed value, or \$75,000,⁴ whichever is less; and

¹ In the case of replacement, the structure must be deemed by the local historic or heritage commission (or the New Hampshire Division of Historical Resources if a local commission does not exist) to not possess significant cultural, historic, or architectural value, the replacement must achieve one or more public benefits to a greater degree than renovation would, and the replacement must not adversely affect other historic and cultural resources in the community. RSA79-E:4, IV(a)(4).

² Per RSA 79-E:2, II, a development is only eligible for this relief, if the “building is located in a district officially designated in a municipality’s master plan, or by zoning ordinance, as a downtown, town center, central business district, or village center, or, where no such designation has been made, in a geographic area which, as a result of its compact development patterns and uses, is identified by the governing body as the downtown, town center, or village center.”

³ RSA 79-E:2, II(b)(1).

⁴ The maximum for a HUD Section 203(k) rehabilitation loan was just increased to \$75,000. “HUD Expands Program to Help Homeowners Repair Homes,” U.S. Department of Housing and Urban Development, July, 9, 2024, https://www.hud.gov/press/press_releases_media_advisories/hud_no_24_170.

- The rehabilitation is consistent with the municipality’s master plan or land development regulations. Cities and towns can further limit qualifying structures by age, occupancy, condition, size, or other criteria consistent with local economic conditions, community character, and local planning and development goals. Additionally, they can modify what is considered a qualifying structure to include buildings destroyed by fire or natural disasters, provided the destruction occurred within 15 years of the community’s adoption of RSA 79-E.

In cities and towns that have adopted the provisions of RSA 79-E:4-a, qualifying structures may also include structures potentially affected by storm surge, sea-level rise, and extreme precipitation the municipality has identified in a coastal resilience incentive zone. In communities that have adopted RSA 79-E:4-b, a qualifying structure located in a residential property revitalization zone must be at least 40 years old and be either a one- or two-family home or an attached multifamily home with no more than four units. In cities and towns that have adopted the provisions of RSA 79-E:4-c, a qualifying structure also means a housing unit or units constructed in an established housing opportunity zone.

Properties located in tax increment finance districts, or which receive state or federal funds, might be ineligible for this program. The local governing body may limit the use of RSA 79-E tax relief for property in a tax increment finance district adopted under RSA 162-K if the tax relief would negatively impact the tax increment finance district.⁵ Projects in which state or federal grants or funds subsidize more than 50% of the construction costs are not eligible for tax relief under RSA 79-E.⁶

1.3 Public Benefits

To qualify for RSA 79-E tax relief, the rehabilitation or replacement of the property must provide a “public benefit.” In the case of a proposed replacement of a qualifying structure, the replaced structure cannot be considered historic, and the project must provide one or more public benefits to a greater degree than a substantial rehabilitation of the structure. Eligible public benefits of a project under the statute include the following:

- It enhances the economic vitality of the downtown;
- It enhances and improves a structure that is culturally or historically important on a local, regional, state, or national level, either independently or within the context of a historic district, town center, or village center in which the building is located;
- It promotes the preservation and reuse of existing building stock throughout a municipality by the rehabilitation of historic structures, thereby conserving the embodied energy in accordance with energy efficiency guidelines established by the U.S. Secretary of the Interior’s Standards for Rehabilitation;
- It promotes development of municipal centers, providing for efficiency, safety, and a greater sense of community, consistent with RSA 9-B (State Economic Growth, Resource Protection, and Planning Policy – the Smart Growth Law); or
- It increases residential housing in urban or town centers.

Communities can further define the public benefits enumerated above based on local economic conditions, community character, and local planning and development goals to assist the governing body in evaluating applications. For any RSA 79-E project, a covenant specifying the public benefit the property will provide is recorded with the county registry of deeds as a restriction on the use of the property.

5 RSA 79-E:4, VI.

6 RSA 79-E:14.

1.4 Property Covenant

Once an application is approved, the property owner and municipal officials sign a covenant that is recorded with the county registry of deeds. The covenant protects and preserves the project's public benefits by requiring the building to be used and maintained in a manner consistent with the public benefit. Additionally, the covenant must include provisions requiring the property owner to obtain casualty insurance, and flood insurance if appropriate. It can, at the governing body's discretion, also require a lien against proceeds from casualty and flood insurance claims to ensure that the property owner completes proper restoration or demolition if the structure or property is damaged. Under the statute, the covenant runs with the tax relief period. However, cities and towns can require the covenant to extend up to twice as long as the tax relief period. The city or town develops the covenant document to protect the municipality and the property owner.

If the property owner fails to maintain or utilize the property according to the terms of the covenant or fails to restore, rebuild, or demolish the structure following damage or destruction, the tax relief may be terminated. To do this, the governing body holds a public hearing to determine whether and to what extent the public benefit has been diminished and decides to terminate or reduce the tax relief period accordingly. If the incentive is terminated, the property owner must repay all property taxes on the value of the improvements which would have otherwise been owed during the tax relief period, plus interest.

1.5 Amendments

Depending on how a town or city structures its program, the RSA 79-E property tax incentive may also apply to other types of development.

Historic Structures

In 2013, the law was amended to allow historic structures outside of downtowns, village centers, or historic districts to meet the definition of a qualifying structure. This amendment promotes the preservation and reuse of existing structures throughout the entire community, not just within the designated RSA 79-E district. The qualifying structure must be listed on the National Register of Historic Places, the State Register of Historic Places, or be located within and important to a locally designated historic district. In this case, substantial rehabilitation must also involve devoting a portion of the total cost – at least 10% of the pre-rehabilitation assessed valuation, or at least \$5,000,-whichever is less – toward energy efficiency improvements, in accordance with the U.S. Secretary of the Interior's Standards for Rehabilitation.

Coastal Resilience

In 2017, the legislature amended the law again to allow communities to designate a "Coastal Resilience Incentive Zone" (CRIZ) (RSA 79-E:4-a). This enables coastal cities and towns, through RSA 79-E provisions, to use tax relief and other methods to encourage property owners of qualifying structures in the CRIZ to prepare for storm surge, sea-level rise, and extreme precipitation. Cities and towns have discretion to determine what actions qualify as resilience measures. Possible qualifying actions include:

- Elevation and free-board renovations;
- Elevation of mechanicals;
- Construction of resilient natural features;
- Enhancement or creation of tidal marshes;
- Elevation of private driveways and sidewalks;
- Construction or enlargement of private culverts and other structures to enable increased water flow and storm-surge; and

- Movement of a structure or property to higher elevation on the property or to a newly acquired property at a higher elevation within the community.

For longer-term planning, a community may provide other relief to properties in the CRIZ that are subjected to repeated inundation, such as by acquiring preservation or water control easements or establishing tax increment financing districts to deal with coastal retreat. Municipalities can also create a non-lapsing CRIZ fund as a capital reserve fund or a town-created trust fund to provide funding for estimated municipal costs associated with projected storm surge, sea-level rise, and extreme precipitation to support the CRIZ purpose established in the statute. The establishment of a tax increment finance district or capital reserve fund would require additional adoption by the local governing body outside of other CRIZ-related measures under RSA 79-E.

Housing Amendments

In 2021, the legislature created two opportunities to encourage investments in housing. Under these provisions, communities can establish a:

- **Residential Property Revitalization Zone (RPRZ) (RSA 79-E:4-b).** Homeowners in these designated zones can request tax relief to significantly improve the quality, condition, or use of their existing dwelling. Qualifying structures must be at least 40 years old and include one- or two-family homes and multifamily dwellings with up to four units.
- **Housing Opportunity Zone (HOZ) (RSA 79-5:4-c).** Within the HOZ, qualifying developments can receive property tax relief for up to 10 years, beginning upon issuance of the certificate of occupancy. For a development in the HOZ to qualify, it must designate at least one third of the housing units to low-income households (income of 80% or less of the HUD area median income) or an alternative mix of housing for very low-, low-, or moderate-income households. Although this provision may be used to improve existing neighborhoods, it is also designed to encourage new housing construction.

Most recently, in 2024, the legislature amended the statute again to recognize and broaden the definition of:

- **Office Conversion Zones (RSA 79-E:4-d).** If the governing body designates an area of office use for housing redevelopment, the owners of office buildings can apply for tax relief to convert their property to housing. Under this provision, qualifying structures include buildings used or intended for use as professional or business offices, as well as co-work facilities.

As of fall 2024, over 60 cities and towns have adopted RSA 79-E (*refer to 7.2. Communities that Have Adopted RSA 79-E*). However, no New Hampshire communities have created a Residential Property Revitalization Zone. Only one, Conway, has established a Housing Opportunity Zone. Rye has adopted RSA 79-E:4-a and established a coastal resilience incentive zone. These provisions allowing for the establishment of additional zones (RSA 79-E:4-a, 4-b, 4-c, and 4-d) require adoption by the local governing body separate from its establishment of other RSA 79-E powers. Many municipalities have used RSA 79-E and their existing RSA 79-E districts to encourage property owners to improve or create housing in downtown areas.



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2. COMMUNITY IMPLEMENTATION OF RSA 79-E



2.1 The Experience of Participating Communities

To understand how cities and towns have utilized RSA 79-E, particularly to create housing, interviews were conducted with experts, including local officials, municipal staff, and developers who have used this program. Representatives from three towns and six cities (see Table 1), and one developer with RSA 79-E experience were asked questions about their community's adoption, promotion, and utilization of the statute. These interviews illuminated the opportunities, challenges, strengths, and weaknesses of implementation of these local programs. Additionally, the interviews helped identify potential case studies to explore in this report.

Municipality	Form of Government	Year RSA 79-E was Adopted	Number of RSA 79-E Projects
Dover	City	2017, expanded 2021	2
Berlin	City	2007	5
Exeter	Town	2014	6
Manchester	City	2012, again in 2015	20
Newmarket	Town	2006	3
Lebanon	City	2016	5
Rochester	City	2015	10
Keene	City	2017	3
Jaffrey	Town	2020	0

Adoption

While some communities adopted RSA 79-E in response to developers approaching local officials about a specific project, and others did so to attract development, the majority of interviewees stated their communities adopted RSA 79-E to spur revitalization. Many of these cities and towns have downtown areas or village centers with aging, underutilized, or vacant historic buildings, such as former mills. Local officials hoped that by offering the potential for tax relief through RSA 79-E, they could incentivize developers and property owners to restore and redevelop these properties into much-needed residential and commercial spaces.

Some communities have followed the state statute closely, yet others have adopted or are in the process of adopting more stringent requirements and criteria for applicants. For example:

- Lebanon is contemplating increasing the substantial rehabilitation requirement above \$75,000 (or 15%) as there is little that can be done in a renovation project below this amount – that is, almost all rehabilitation projects would qualify as “substantial,” even if they do not have a true impact on the community.
- Dover expanded the provisions of their RSA 79-E program by requiring rehabilitation costs to exceed 220% of the building’s pre-rehabilitation assessed value. The program also mandates that applicants sign development agreements and create affordable housing units to qualify for tax relief over five years, and more (refer to 2.2 Case Study 2 for a complete list).

Changes to the standards in RSA 79-E may need to be structured as a public benefit to be consistent with the statute.⁷

Promotion

The cities and towns interviewed take different approaches to promoting RSA 79-E and their designated districts. Some actively market the program, while others take a more passive approach. In most of the nine communities, the incentive is well-known, so additional promotion of the program is not needed. All the communities interviewed provide some level of information about RSA 79-E on their websites, such as maps of the district(s) and the application form. Others provide additional resources such as sample applications, covenants, and information about past projects.

Utilization

The number of successful applications and completed projects varies from community to community. In two of those interviewed, there are 10+ completed projects enabled under RSA 79-E, while one does not yet have any. Most have rejected very few applications, if any; those that were either failed to demonstrate the necessary public benefits, or construction work began before the application was approved.

The application processes differed among the municipalities that were interviewed. Some required more detailed information from applicants than others. Some put a greater burden of proof on the applicant to justify why the project required tax relief. However, this approach can deter developers. Many smaller communities want to require this information from developers but lack the capacity to collect and interpret it, or they are worried about turning potential applicants away.

A few of those interviewed expressed concern that small towns may not always have the staff capacity or experience to effectively implement and manage their tax incentive program. They noted that additional guidance and resources (such as sample applications, sample covenant language, and fact sheets) would be helpful for smaller communities that have adopted or are thinking about adopting RSA 79-E. In contrast, those communities interviewed that already have multiple projects completed and have dedicated staff running the RSA 79-E program, have generally been able to streamline their process and have little difficulty administering the program. Additionally, in Manchester and Dover, for example, staff's prior experience with the program has helped them adapt the program to ensure the community is receiving the maximum public benefit.

Strengths

According to those interviewed, the program's strength lies in its ability to provide significant incentives for projects that would not be revitalized or developed otherwise, especially historical buildings. RSA 79-E has helped communities and developers preserve and reimagine existing infrastructure, bringing under-utilized properties back into active use.

Nearly all interviewees mentioned the positive impacts of RSA 79-E, including bigger projects that might not have been possible otherwise. Cities and towns also have seen historic structures saved, new housing units created, and downtown revitalization begin to take shape.

Interviewees described RSA 79-E as a powerful tool, and many noted that it is one of the few development incentive tools available to New Hampshire cities and towns. They cited the flexibility of RSA 79-E and the discretion it gives municipalities to tailor programs to their individual needs. Some would like more guidance for cities and towns provided. Of note is that all those interviewed recommended that every New Hampshire city and town consider adopting RSA 79-E if they haven't done so already.

Weaknesses

While there was overall positive support for the statute, there are areas of RSA 79-E that the interviewees felt could be improved. Some felt the law lacks clarity in the total number of years of tax relief allowed. Different cities and towns interpret the additive years for housing, affordable housing, and historic rehabilitation differently. For example, some interpret the four years of affordable housing to include the two years for new housing units, resulting in a maximum tax relief period of 13 years. One community raised concerns about when the tax relief period should start for phased projects involving multiple buildings or parcels.

Many of those interviewed have not found the base provisions of RSA 79-E to be particularly effective at incentivizing the creation of affordable housing units. In most of these cities and towns, a majority of new units created have been market-rate.⁸ While they note the need for market-rate units, many who were interviewed expressed a desire for affordable housing. There is concern that the low rents for affordable housing may not support the necessary investment. Additionally, there seems to be a misunderstanding about what constitutes “affordable” under the statute. Several interviewees reported challenges with developers applying to build “affordable housing” without the statute providing a clear standard for what qualifies.

Some of the cities and towns interviewed found that RSA 79-E is not well understood by staff, governing bodies, or residents. Town staff mentioned that a part of the process includes re-educating their councils, public, and fellow staff members about the program. However, there remain those who perceive the incentive as a tax break and a form of “corporate welfare.” Additionally, a few of the communities mentioned that, up until recently, their governing body had the misconception that just because an application met all the criteria, it had to be approved.

Some felt RSA 79-E has strayed too far from its original intent to rehabilitate and restore existing historic structures. They believe the statute should not have allowed for the teardown of buildings and question the benefits of establishing the additional zones (CRIZ, HOZ, and RPRZ).

Some interviewees struggle with how to accurately assess the financial need for tax relief. While some cities and towns require applicants to provide financial information, others have faced backlash when trying to obtain this information. This challenge in obtaining financial information from developers makes it difficult to evaluate applications and ensure that the appropriate amount of relief is provided.

2.2 Case Studies

Case Study 1: Rochester

Creating a more vibrant downtown is a major planning focus in Rochester. In 2020, the city completed an update of the *2003 Master Plan for the Downtown*. This plan envisions a walkable, resilient, creative, and inclusive downtown and promotes strategies like the adaptive reuse of existing buildings, innovative infill development, mixed-use development, and the creation of diverse and inclusive housing units.⁹

RSA 79-E has been a key part of the city’s plan to revitalize its downtown. There have been 11 successful RSA 79-E applications since the city adopted the tax incentive in 2015. In total, these projects are projected to bring an estimated \$22.9 million in business investment to downtown Rochester,¹⁰ with over half of the projects adding (or expected to add) housing units to the area. Rochester has yet to deny an application, although some applicants have backed out at various stages of the process.

8 Of the communities interviewed, only in Keene and Dover have projects under RSA 79-E included the creation of below market-rate units.

9 City of Rochester. “Destination Rochester 2030 Downtown Master Plan.” 2020.

10 City of Rochester. “RSA Incentive Update. March 2023. https://www.rochesternh.gov/sites/g/files/vyhlif9211/f/uploads/rsa_79e_update_march_2023__0.pdf.

In the past few years, the city has acquired key downtown properties, whether by tax deed or by purchase. This has allowed Rochester to sell the properties to developers under agreements that give the city greater input and control over the projects. This strategy was used recently for the Scenic Theater, Salinger Block, and Hoffman Building projects.¹¹

Scenic Salinger Development – 10-14 North Main Street

This mixed-use development reimagined two historic properties integral to the character and history of Rochester’s downtown: the Scenic Theater and the Salinger Block. The Scenic Theater served as Rochester’s first theater and is an excellent example of Georgian Revival architecture. However, most of the building was vacant and in disrepair for three decades. Originally built in 1879, the Salinger Block is the city’s only building designed in the Neoclassical style.



A historic view of North Main Street in Rochester, NH. Photo from the City of Rochester.

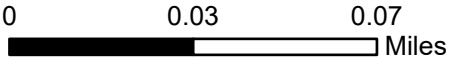
The city acquired the Scenic Theater by tax deed in early 2018 and purchased the Salinger Block for \$111,914.51 in summer 2018 in a deal that included swapping a city-owned, tax-deeded property.¹² After sending out a request for proposals, the city entered discussions with Chinburg Properties in 2019 to create a plan to redevelop both buildings. Rochester sold the properties to Chinburg, and work began in 2020 (the project was delayed due to COVID-19).

Chinburg restored the front façades of the existing buildings to maintain the historic features. The developer also connected the buildings behind the commercial space and completely upgraded the interiors. Some elements from the old buildings can still be seen throughout the interior, including the old fuse box from the theater and original brickwork. The mixed-use development now includes 50 housing units¹³ and two commercial spaces. The apartments are mar-

11 Jennifer Marsh (Assistant Director of Economic Development, City of Rochester) and Michael Scala (Director of Economic Development, City of Rochester), interview by Lily Kramer, January 4, 2024.

12 Stucker, Kyle. “Rochester buys Kelly building, will bundle with Scenic Theater.” *Foster’s Daily Democrat*, July 16, 2018. <https://www.fosters.com/story/news/2018/07/16/rochester-takes-innovative-approach-to-downtown/11511274007/>.

13 Zoning changes that occurred just prior to this project allowed for increased density in the downtown and allowed for this number of units to be built.



Date: September 2024
 Source: City of Rochester and NHGRANIT



Information depicted on this map is for general planning purposes only. This information is not adequate for legal boundary definition, regulatory interpretation, or parcel level analysis.

- 1. Scenic Salinger
- 2. The Hoffman Building
- Parcel Boundary
- Building Footprint

ket-rate and a mix of studio, one-bedroom, and two-bedroom units.¹⁴

This project received seven years of tax relief (five years for substantial rehabilitation and two years for the creation of new residential units), which started in April 2022 and expires March 2029. The properties' pre-renovation assessment is \$222,300, and the construction costs were estimated to be \$6,131,000. When the relief period ends, the city is expected to receive taxes on a post-renovation assessment of at least \$1,190,900.



The Salinger development during construction. Photo from the City of Rochester.

The public benefits of this project are clear. The Scenic Salinger project has boosted downtown economic activity, rehabilitated two culturally and historically significant structures, preserved and repurposed existing buildings, and created housing where there previously was none. And, importantly, while these properties were city-owned, Rochester was not receiving tax revenue from them.

The Scenic Salinger project was the first big corporate investment in downtown Rochester. Since then, Rochester has seen a growing interest from other developers. The city hopes to continue to leverage the success of this project to attract additional investment to the downtown area.

The Hoffman Building - 45-55 North Main Street

A second mixed-use development, just down the road from the Scenic Salinger building, is adding another 45 new housing units to downtown Rochester with the help of RSA 79-E. Work began in 2022 and construction is expected to be complete in 2024.

This development combined three parcels and replaced the former Hoffman Furniture building and former Slim's building. Hoffman Furniture closed in 1986, and the building sat vacant for over three decades. The city purchased the property and sold it to Lilac City Development in 2021.

¹⁴ Dandurant, Karen. "Rochester revitalization: Historic Scenic Theater, Salinger Block buildings transformed." *Foster's Daily Democrat*, March 22, 2022. <https://www.fosters.com/story/news/local/2022/03/22/rochester-nh-apartments-scenic-theater-salinger-block/>. Stucker, Kyle. "\$8M development coming to Rochester." *Foster's Daily Democrat*, March 17, 2020. <https://www.fosters.com/story/news/2020/03/17/8m-development-coming-to-rochester/1506942007/>.

As opposed to rehabilitating these buildings, the project instead demolished the existing structures and replaced them with a new six-story building. Despite this, the developer, city, and Historic District Commission have worked to make sure that the project will contribute to Rochester's historic district by preserving character defining and iconic features of the old Hoffman building.¹⁵ The new building incorporates design elements from the Hoffman building and art deco motifs, paying homage to its unique and historic aesthetic. The North Main Street first-floor commercial façade is nearly an exact replica of the Hoffman building's façade. The new building includes 36 two-bedroom apartments, nine one-bedroom apartments, and 2,200 square feet of commercial space¹⁶ that could be home to one large retailer/restaurant or two smaller retailers.



A rendering of the Hoffman Building. Photo from the City of Rochester.

This project received seven years of tax relief (five years for substantial rehabilitation and two years for the creation of new residential units). The tax relief period will begin upon issuance of the certification of occupancy. The developer will pay taxes on the pre-renovation assessment of the properties of \$226,600 for those seven years. Construction costs for redevelopment of the site are estimated to be \$11,750,000, well over the statute's requirements (5,185% of the pre-rehabilitation assessed value).

Much like the Scenic Salinger project, this project is a major component in Rochester's downtown revitalization initiative and has clear public benefits. When complete, this project will have transformed an underutilized property to help address the housing needs in the area and further downtown Rochester's revitalization.

¹⁵ Most of the 79-E district is also in Rochester's local historic district. As a result, the Historic Commission makes recommendations to developers to encourage them to preserve the historic character and features of the previous buildings.

¹⁶ Zoning in the downtown core requires the first 30 feet of a building's first floor to be commercial use.





0 0.05 0.1 Miles

Date: September 2024
 Source: City of Dover and NHGRANIT



Information depicted on this map is for general planning purposes only. This information is not adequate for legal boundary definition, regulatory interpretation, or parcel level analysis.

3. Orpheum Apartments
 4. The Courthouse

 Parcel Boundary
 Building Footprint

Case Study 2: Dover

The City of Dover first adopted RSA 79-E in 2017, motivated by the need to help a developer who wanted to replace a dilapidated building in the downtown area but who faced challenges due to its high purchase price. The first RSA 79-E district was established around this parcel and the adjacent blocks. In 2021, a second district was created to preserve a historic courthouse. At the same time, the city revised its requirements and criteria for applicants (*see requirements below*).¹⁷ The City Council's goal was to encourage the preservation of historic buildings within the Central Business District and to incentivize the inclusion of affordable housing along with market-rate housing within these structures. Additionally, Dover clarified the intent of its RSA 79-E program to promote reinvestment in and reuse of city buildings that have historic, architectural, and cultural significance.

As a larger city with a robust real estate market, Dover does not necessarily need to incentivize development. As a result, its RSA 79-E program is tailored to ensure that projects align with the objectives and the city is getting public benefits above and beyond what would be achieved without the incentive.¹⁸ The city has utilized the flexibility afforded by the statute and adopted strict eligibility criteria listed below:

- Requires rehabilitation costs to exceed 220% of pre-rehabilitation assessed valuation
- Allows a tax relief period up to nine years (base period of five years and for every 10% of units designated as rent-restricted, an additional year may be added to the tax relief period up to four years)
- Requires documentation of public benefit at time of application
- Requires that the covenant run for twice the term of the tax relief. For the provision of affordable units, the covenant protects these units for three times the tax relief term
- Requires a lien against proceeds from casualty and flood insurance claims
- Requires that the property remain taxable for the relief period (prohibits conversion to a tax-exempt property)
- Requires signing of a Developer's Agreement
- Requires partnership in infrastructure investment.¹⁹

The city has one completed RSA 79-E project: Orpheum Apartments, which added 130 market rate housing units to the downtown area. A second project, The Courthouse, is recently completed and received a certification of occupancy in March 2024. Approximately six applications have been rejected due to their failure to demonstrate the public benefits required by state law.

Orpheum Apartments – 104 Washington Street

In 2017, Dover City Council approved Cathartes's application for tax relief under RSA 79-E to redevelop multiple properties in downtown Dover. The developer purchased 26-32 Chestnut Street, 102-124 Washington Street, 9 and 33 Locust Street, and 17 St. Thomas Street, consolidating them into one 1.22-acre project site. Prior to redevelopment, the site contained several dilapidated and deteriorating structures some of which encroached on the pedestrian right-of-way, creating unsafe situations for both pedestrians and vehicles.

¹⁷ For example, when Dover first adopted RSA 79-E, the maximum period of tax relief was five years. In 2021, the five-year relief period was expanded by allowing for up to four additional years if there are provisions for rent-restricted housing. The expansion was added to support the community's desire to encourage a diversity of housing in Dover, particularly in adaptive reconstruction or new construction within the Central Business District. City of Dover, Resolution R_2021.01.13 - Expanding the Provisions of RSA 79-E Relative to the Community Revitalization Tax Relief, January, 13 2021.

¹⁸ Christopher Parker (Deputy City Manager, City of Dover), interview by Lily Kramer, January 4, 2024.

¹⁹ City of Dover, Resolution R_2021.01.13 - Expanding the Provisions of RSA 79-E Relative to the Community Revitalization Tax Relief, January, 13 2021. City of Dover, Community Revitalization Tax Relief Incentive City Council Workshop, January 6, 2020.

The existing buildings were replaced with a five-story mixed-use development that includes 6,000 square feet of ground level restaurant and retail space and 130 new residential units. Ranging in size from 565 to 1,339 square feet, these apartments are a mix of studio, one-, two-, and three-bedroom units. Rents range from \$2,275 to \$3,495.²⁰ The project also included adding 98 on-site parking spaces and utilized parking permits in the city garage to meet additional parking needs.

Construction began in 2018 and was completed in 2020. The new structure spans 157,000 square feet and includes amenities such as a rooftop lounge, café, fitness center, pet-washing station, and coworking space. Strategically located within walking distance of downtown and 0.5 miles from the Amtrak Dover Rail Station, the development rejuvenates a once dormant block and provides proximity to public transit and local businesses to residents. Meanwhile, the façade design pays homage to original Orpheum theatre as well as existing downtown architecture.

Initially, the properties had a combined taxable value of \$2.1 million. The replacement cost of the buildings was \$14,875,000, representing 684% of the site's pre-rehabilitation assessed value. This is well over Dover's requirement that construction costs exceed 220% of the pre-rehabilitation assessment. Cathartes was granted five years of tax relief for this significant rehabilitation.

As required by Dover's RSA 79-E program, the developer signed a Land Development Agreement with the city. The LDA states that beginning in tax year 2024, the property must achieve an assessed value of at least \$11 million. The agreement also includes a safeguard stipulating that if tax revenues fall short of these projections, the developer is responsible for making up the difference. Additionally, the LDA also detailed required infrastructure investments. The developer worked with the city to do off-site improvements which included widening sidewalks and realigning Chestnut Street to provide for safer conditions for pedestrians and vehicles.²¹

This project enhances the economic vitality of the downtown by expanding commercial opportunities for new businesses to enter the market. It promotes the development of municipal centers, providing for efficiency, safety, and a greater sense of community, by creating an improved intersection at Washington and Chestnut Streets and tying together the existing civic core, the new parking garage, and downtown commercial district. It increases residential housing in urban centers by adding 130 units to downtown Dover, where none previously existed.



View of the Orpheum Apartments. Photo from the City of Dover.

20 "Floor Plans," Orpheum, 2024, <https://www.orpheumdover.com/orpheum-apartments-dover-nh/floorplans>.

21 Land Development Agreement between the City of Dover and 104 Wash Street, LLC, December 21, 2017.

Orpheum Apartments has added activity to an otherwise dark and deteriorating block, creating a greater sense of community in the downtown, something that would not have been possible without RSA 79-E.

The Courthouse – 1 First Street and 10 Second Street

More recently, Dover used RSA 79-E to incentivize the rehabilitation of the vacant Old Strafford County Courthouse, which was in use until 1976, when a new courthouse was built. It became an office building until 2010, after which it was vacant. When the property went up for sale, several parties expressed interest, and the courthouse was under threat of demolition. The city's second RSA 79-E district was established to save this historic building, which ultimately made the project feasible for the developer, Chinburg Properties.



Old Strafford Courthouse during redevelopment construction. Photo from the City of Dover.

The project involved renovation of the former courthouse building on Second Street and building a new four-story addition on First Street. Between the two buildings, the new mixed-use development will house 59 apartments (with a mix of studios and one- and two-bedrooms) and nearly 9,000 square feet of commercial space. Twelve of these apartments will be rented at rates no higher than the HUD 80% rent limit for the Portsmouth/Dover/Rochester area, meaning these households can earn no more than 80% of the area median income.²² The apartments will be rent-restricted for 21 years, based on the city's extended covenant provision (and the development agreement). Both the tenants and property manager must fill out tenant income certification forms to ensure the income eligibility requirements are met.

The property was granted a relief period of seven years; five years of relief for substantial rehabilitation and two years for creating affordable housing (20% of the units are guaranteed affordable). During this period, the developer will pay taxes on the property's pre-renovation valuation of about \$789,000. Starting in tax year 2029, the developer will pay the City the property tax for the renovated value of at least \$7 million, a nearly eight-fold increase.

Dover's requirement of RSA 79-E applicants to enter into Land Development Agreements (LDAs) with the city allowed Dover greater influence over the project. These LDAs give Dover an opportunity to be the developer's partner in the project. As the city has no historic district that can designate design standards, this partnership also provided an alternative venue for Dover

²² City of Dover, Development Agreement terms between City of Dover, New Hampshire ("City") and Chinburg Management, LLC (the "Developer"), November 20, 2020, <https://www.dover.nh.gov/Assets/government/city-operations/2document/planning/Development-Agreement>. Christopher Parker (Deputy City Manager, City of Dover), interview by Lily Kramer, January 4, 2024.

have a greater influence over the design and architecture of the building.²³ Chinburg Properties worked with the city to design the addition behind the courthouse to blend in with the surrounding buildings on First and Second streets. More brick was added to the design, as well as more ornamental detail on the roofline and in the pediments. It was also agreed that the height of the new building would remain consistent with that of the original courthouse structure.²⁴ As part of the LDA, the developer also granted permanent easements to the city for the land under the Dover Transportation Center and the Community Trail trailhead.²⁵ These easements are part of long term planning efforts in Dover to create a Community Trail that runs throughout the city: since the mid 1990's, the city has been actively planning and acquiring rights-of-way for this project. The Dover Master Plan recommends maintaining and expanding the trail as both a recreational opportunity and alternative route of transportation for residents.²⁶

As part of the application and approval process, Dover conducts a financial review enumerating outlining three scenarios to illustrate the financial benefits of the tax relief: a “do nothing” scenario, a seven-year tax relief scenario (as represented by the application), and a demolition and rebuild scenario. Unsurprisingly, the “do nothing” scenario resulted in the lowest tax revenue over 10 years, an estimated \$239,943 (assuming an appreciation in value of 2% for Years 1 to 5 and 1% for Years 6 to 10). The RSA 79-E scenario predicts tax revenue to total \$698,757 after ten years. The third scenario assumes the owner will demolish the building in Year 1 to reduce their tax liability and sell the property to a developer who would rebuild a building worth at least \$700,000 at Year 5. This scenario would result in total tax revenue of \$1,103,766 after 10 years. Although this total is clearly higher than the RSA 79-E scenario, the city argues that this higher revenue comes at the cost of affordable units that would be restricted for 21 years (and that would likely be more expensive for Dover to build itself). Moreover, the developer would pay Dover \$2.7 million in taxes over this period. The rent would be kept, on average, \$1,000 a month below market rate per unit for a two-bedroom unit. For 10 units (the minimum number that must be affordable), this would total \$12,000 per month. Under the RSA 79-E scenario, the developer is forgoing \$2.5 million in revenue for 21 years, while the city is forgoing only \$315,403.²⁷

Additionally, the project promotes the preservation and reuse of existing building stock by rehabilitating a significant historic structure, increases housing in the urban center with the addition of 59 new units (including 12 rent-restricted units for 21 years), and enhances the economic and social vitality of the downtown by returning a vacant building back into use. The project also provides the city with permanent easements to the Dover Transportation Center and access easement to the Dover Community Trail.

The Old Strafford Courthouse is an excellent example of RSA 79-E at work to incentivize historic preservation, rehabilitation, and community revitalization. It fulfills the community's goal of promoting diverse housing options in Dover while aligning with Dover's Master Plan, which encourages downtown redevelopment and continued vibrancy.

23 The terms of the LDA include a requirement that the new “building’s architecture shall complement and maintain the historic character of the existing [courthouse] building.” City of Dover, Development Agreement terms between City of Dover, New Hampshire (“City”) and Chinburg Management, LLC (the “Developer”), November 20, 2020, <https://www.dover.nh.gov/Assets/government/city-operations/2document/planning/Development-Agreement>.

24 Fernandes, Megan, “Restaurant and rooftop patio? New details on old Dover courthouse housing project,” Foster’s Daily Democrat, May 7, 2021, <https://www.fosters.com/story/news/local/2021/05/07/dover-nh-old-courthouse-housing-project-chinburg-restaurant-roof>.

25 City of Dover, Development Agreement terms between City of Dover, New Hampshire (“City”) and Chinburg Management, LLC (the “Developer”), November 20, 2020, <https://www.dover.nh.gov/Assets/government/city-operations/2document/planning/Development-Agreement>.

26 City of Dover, Community Trail, accessed August 2024, <https://www.dover.nh.gov/government/city-operations/planning/community-trail/>.

27 City of Dover, Chinburg Application Memo,” City of Dover Resolutions, February 25, 2021, https://publicrecords.dover.nh.gov/Files/Index/6591/public/1/deptnum/0/cab/City_of_Dover_Resolutions/Main.

Case Study 3: Manchester

Manchester adopted RSA 79-E first in 2012 and again in 2015 after amendments to the law. In 2023, the city modified its RSA 79-E application and amended Chapter 36.40 of the City Code of Ordinances (“Community Revitalization Tax Relief Incentive”). The new application requires applicants to provide stronger proof that the project would not be feasible without the tax relief. As an increased incentive for a project to include new housing units, the amendments allow for the Board of Mayor and Alderman to extend the five-year tax relief period by two additional years for projects that create new housing, and four additional years for a project in which at least two-thirds of the new housing units are affordable. Finally, the city added language stating the tax relief will expire if the substantial rehabilitation or replacement does not begin within twelve months of the date of the application’s approval. This requirement ensures that the project developer does not take advantage of a long construction period that stretches out the relief’s length.²⁸

Since 2012, the city has approved 20 applications for projects of varying scales. Two applications were denied for work being done before the application was submitted. In Manchester, the RSA 79-E district is tied to zoning; properties within the Central Business Service District (CBSD) or the Redevelopment District (RDV) qualify for the relief incentive.²⁹

The RSA 79-E district generally aligns with the areas identified in Manchester’s 2021 Master Plan as the Infill Growth Sector, which includes Downtown, the Millyard, the South Elm District, and their surrounding areas. These contiguous areas serve as the central hub for employment, entertainment, and civic and cultural activities. The city’s goal is to strengthen this area by removing barriers to investment, promoting infill and redevelopment of underutilized areas, and fostering unity and connectivity among the distinct parts while protecting the authenticity of the places within. RSA 79-E is one of the tools Manchester is using to accomplish this.³⁰

The Factory on Willow – 252 Willow Street

In 2019, local real estate developer Elizabeth Hitchcock purchased an underutilized and mostly vacant mill building in Manchester’s South Elm District. She applied for RSA 79-E with a plan to restore the 90,000-square-foot factory into a mixed-use development while preserving its rich history.

Originally built in 1904, the building first operated as McElwain Shoe Company’s Cohas Factory and later as Johnson Shoe Company. The site was used for manufacturing shoes until 1972. From 1945 to 1947, the Manchester Community College (formerly known as State Trade School Manchester) was housed on the first two floors.³¹ Most recently, prior to its redevelopment, much of the building was vacant, with only a few areas used for storage and warehousing.

The adaptive reuse project involved a complete renovation that repositioned the property as a mixed-use art community. The work was completed in early 2021, with key elements of the original building preserved and replicated. The fourth floor retains its original hardwood floors, the windows were replaced with historically accurate, black-framed windows, and most of the exterior and interior masonry was restored. The four-story mill building now features 60 studio apartments, commercial spaces, event space, generous outdoor areas, and 16 short term rental units. Most recently, a distillery was added to the complex.

28 City of Manchester Economic Development Office, Amending the Community Revitalization Tax Relief Incentive Application (RSA 79-E) and Chapter 36.40 of the City Code of Ordinances, February 13, 2023.

29 Jodi Nazaka (Economic Development Director, City of Manchester), interview by Lily Kramer, January 10, 2024.

30 (City of Manchester 2021) City of Manchester, Manchester Master Plan, August 5, 2021, https://www.manchesternh.gov/Portals/2/Departments/PCD/MANCHESTER_MASTER_PLAN_FINAL_JULY_21.PDF.

31 The Factory on Willow, “About The Factory on Willow,” accessed August 2024, <https://www.factoryonwillow.com/about>.



0 0.05 0.1
 Miles


Date: September 2024
 Source: City of Manchester and NHGRANIT



Information depicted on this map is for general planning purposes only. This information is not adequate for legal boundary definition, regulatory interpretation, or parcel level analysis.

5. The Factory on Willow

 Parcel Boundary

 Building Footprint

The mill has addressed multiple housing needs by adding market-rate housing to the downtown area, creating short-term housing to accommodate nurses and visiting high-tech workers, and starting an Artist in Residence program. The Artist in Residence program enables artists of all types to live and complete special projects at The Factory on Willow, providing them with free housing and a stipend. Artwork from the program is installed throughout the mill complex.



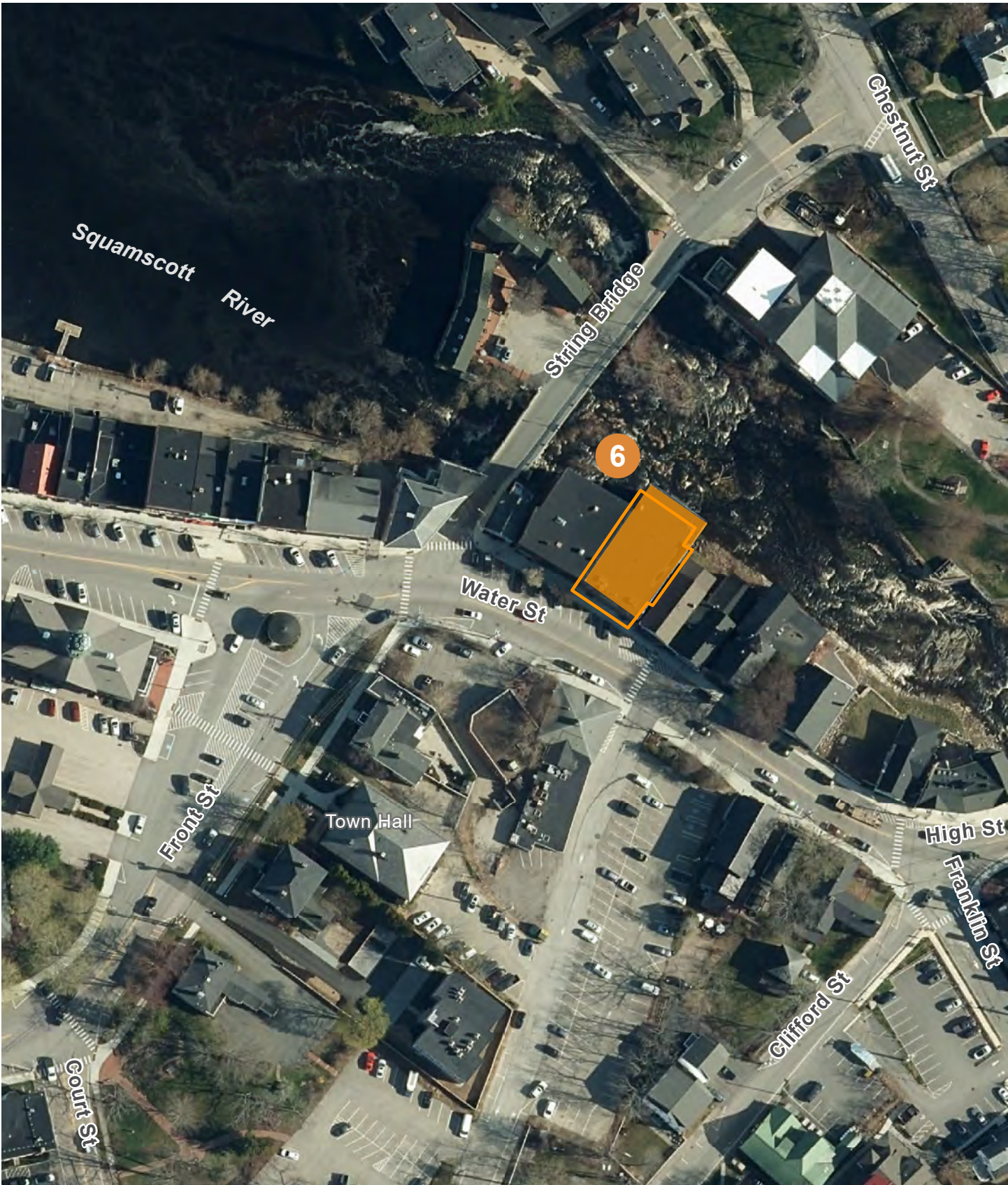
Aerial view of The Factory on Willow. Source: The Factory on Willow.

Manchester granted the developer five years of tax relief (2021 to 2025) under RSA 79-E. For these years the city will receive taxes on the pre-redevelopment assessed value of \$2,995,400. The estimated value post-rehabilitation is \$8,439,600, representing an increase in tax revenue of over 180%. Public benefits include promoting the preservation and reuse of existing building stock, rehabilitating a historic property, and enhancing the economic vitality of the downtown. The developer could have easily redeveloped the entire building into luxury apartments, but instead embraced the city's Master Plan and came up with an idea to create a mixed-use space that would provide much-needed downtown housing, commercial space for entrepreneurs, and community space for people to share ideas and collaborate. The RSA 79-E incentive allowed the developer to make the Factory on Willow what it is today.³²

The Factory on Willow is the first major step towards redeveloping the South Elm District. It is also closely connected to transportation projects Manchester is currently working on to connect this area with the Millyard and the Downtown core. The first includes a \$25 million federal RAISE grant that will fund the creation of a new roadway with a bridge and pedestrian bike access near the intersection of South Willow St. and Queen City Ave., as well as a pedestrian bridge over Granite Street. The second is the completion of the South Manchester Rail Trail that runs directly behind The Factory on Willow. The rail trail is part of a much larger network that will eventually run from Goffstown to the Seacoast. When completed, both projects will offer improved access to the South End.³³

³² Jodi Nazaka (Economic Development Director, City of Manchester), interview by Lily Kramer, January 10, 2024.

³³ "From the Ground Up: The Factory on Willow," New Hampshire Business Review, July 26, 2022, <https://www.nhbr.com/from-the-ground-up-the-factory-on-willow/>.



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Date: September 2024
 Source: Town of Exeter and NHGRANT

Information depicted on this map is for general planning purposes only. This information is not adequate for legal boundary definition, regulatory interpretation, or parcel level analysis.

6. IOKA Properties

 Parcel Boundary

 Building Footprint

Case Study 4: Exeter

Exeter adopted RSA 79-E in 2014, driven by several downtown properties that had fallen into disrepair. The town established its program hoping to incentivize investment in and redevelopment of these buildings.³⁴ Exeter's RSA 79-E district is made up of several areas around the downtown core: the Lincoln Street C-1 district, the Central/Downtown C-1 district, the Waterfront Commercial district, and the Portsmouth Avenue C-1 district. So far, the incentive has only been used on Water Street downtown. Thus, the town is actively developing strategies to use RSA 79-E in other areas. The town wishes to expand housing diversity in mixed-use districts to increase the vibrancy of these districts, stimulate the local economy, and provide access to rental and homeownership options that are not possible in other districts.³⁵

Exeter's Zoning Ordinance allows to the development of Mixed Use Neighborhood Development (MUND) under a conditional use permit.³⁶ MUND provides incentivizes for developments that include at least 10% affordable housing by removing density caps and allowing parking requirements, maximum building height, and site constraints to dictate the number of allowable units. Currently, MUND is permitted in the Central Area Commercial (C-1) and Waterfront Commercial (WC) districts, but the town aims to expand it into the C-2 zone along Portsmouth Avenue. While this incentive is not competing with RSA 79-E, the town has seen greater interest in MUND's density bonuses than in 79-E's tax relief incentive.

To date, six projects have received tax relief under RSA 79-E in Exeter. These have been a mix of commercial and residential projects of varying sizes.

IOKA Properties – 53-55 Water Street



Facade of the IOKA Theater. Photo from the Town of Exeter.

The IOKA Theater has been a historic landmark in Exeter's downtown since it first opened as a silent movie theater in 1915. For generations, it was at the heart of the community; however, after its closure in December 2008, the theater stood empty and unused for over a decade. A brief attempt to repurpose the space as a café and restaurant in 2011 failed, leaving the property dormant until it was sold at public auction. In 2021, IOKA Properties, LLC, purchased the theater for \$450,000, and applied for tax relief under RSA 79-E to transform the building into a mixed-use space.

Working closely with the town's Historic District Commission, Market Square Architects designed an adaptive re-use plan for the 5,000 square foot building. The redevelopment involved converting the interior while preserving the historic shell of the building. This included creating eight condominiums of the second and third floors, two retail spaces on the first floor, and a basement with a speakeasy overlooking the Exeter/Swampscott River. The renovation maintained the look and feel of the original theater while updating it with modern amenities, such as ADA accessibility, a new roof, an elevator, and balconies overlooking the river on each floor. Additionally, a rooftop deck has been added for residents, offering views of the surrounding area.

³⁴ Darren Winham, interview by Lily Kramer, January 2024.

³⁵ Town of Exeter, Master Plan, February 18, 2018, https://www.exeternh.gov/sites/default/files/fileattachments/planning/page/10161/1exetermasterplan_adopted2-22-2018_508c.pdf.

³⁶ MUND is one of many allowable uses in the zoning districts where it is offered and is therefore voluntarily pursued by an applicant. Town of Exeter, Zoning Ordinance, March 2023, https://www.exeternh.gov/sites/default/files/fileattachments/planning_board/page/14051/2023_final_zo_as_amended_3-14-23.pdf

Despite these significant changes, which included cutting new windows into the back of the building, the redevelopment respected the cultural and historic value of the Ioka Theater. The total cost of the rehabilitation was estimated to be \$4,475,634, far exceeding the required 15% of the \$590,100 pre-rehabilitation lot assessment. The Select Board granted nine years of tax relief instead of the requested 11 years. The tax relief was integral in making the rehabilitation of the structure economically feasible for the developer. Construction is still ongoing as of July 2024, and is expected to be completed within the next few months. The eight new condos on the second and third floors are currently listed for sale, with prices ranging from \$889,000 to \$1,250,000. The commercial space is also available for lease at \$3,285 per month.³⁷

The renovation of the Ioka Theater represents a much-needed improvement to the building while respecting its cultural and historic value. The redevelopment is expected to enhance the economic vitality of Exeter's downtown area, positively impacting the local businesses around it. By injecting new commercial activity into the previously dormant structure, the project will supplement the existing inventory of retail and restaurants in the Waterfront Commercial District. The addition of eight residential condominiums in the town center further contributes to the revitalization of downtown Exeter, increases residential housing in the town center, and improves the culturally and historically significant structure. The redevelopment also promotes denser mixed-use development and historic preservation consistent with RSA 9-B. The Ioka Theater's transformation into a vibrant, mixed-use space ensures that this historic building continues to contribute to the life of downtown Exeter, albeit in a new form. Without the tax relief provided by RSA 79-E, the building might have remained vacant.

Case Study 5: Keene

Keene adopted RSA 79-E in 2017 to incentivize the revitalization of several downtown properties in need of significant investment. So far, Keene has awarded tax relief to three projects under RSA 79-E, one of which is currently underway. This most recent project is the only project that involves the creation of new housing units.³⁸

To assist the City Council in evaluating applications, Keene has further defined the public benefits outlined in the RSA 79-E:7. The city's application states that greater consideration will be given to projects that provide three or more public benefits, including:

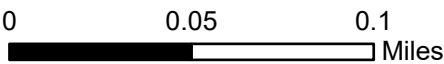
- Adding to the city's employment base by creating at least one new full-time job in downtown Keene;
- Directly supporting the integration of public art in the downtown area;
- Promoting the development of sustainable building stock in the downtown that achieves a nationally or internationally recognized green building standard (e.g. LEED, Green Globes, National Green Building Standard, and International Green Construction Code);
- Maintaining or restoring owner occupancy in a residential building; and
- Increasing energy sustainability in alignment with the city's adopted greenhouse gas initiatives, determined by a home energy assessment score of at least six and a reduction in carbon emissions of at least 10%.

Each of these public benefits has a direct connection to the goals and objectives outlined in the city's 2010 Master Plan.³⁹

37 Hishman, Aqeel, "Ioka theater makeover: New condos, ranging from \$889K to \$1.25M, hit the market in Exeter," Portsmouth Herald, July 31, 2024, <https://www.nhbr.com/ioka-theater-makeover-new-condos-ranging-from-889k-to-1-25m-hit-the-market-in-exeter/>.

38 Dan Langille (City Assessor, City of Keene), interview by Lily Kramer, January 2024.

39 City of Keene, Keene Comprehensive Master Plan, 2010.



7. @310

Date: September 2024
 Source: City of Keene and NHGRANIT



Information depicted on this map is for general planning purposes only. This information is not adequate for legal boundary definition, regulatory interpretation, or parcel level analysis.

- Building Footprint
- Parcel Boundary

“@310” – 310 Marlborough Street

Originally built in 1947, 310 Marlboro Street is undergoing a significant transformation as part of a comprehensive redevelopment project aimed at revitalizing the site for modern use. The project is being executed in two phases, each involving separate RSA 79-E applications to support the former paintbrush factory’s adaptation to a vibrant live-work community.

In 2021, the property owner, 310 Marlboro St., LLC, submitted its first application for five years of tax relief to substantially renovate the existing 86,689-square-foot building, which previously served as storage space. The goal was to expand on the building’s previous usage and create a more vibrant, multi-purpose environment. This phase focused on adapting the structure to accommodate a mix of light industries, research and development, and other uses aligned with the Business Growth and Reuse (BGR) zoning district.⁴⁰ This involved several updates, including updating the HVAC system, installing new windows and doors, providing ADA accessibility to the second floor, and replacing the wood-framed walls with code-compliant, non-combustible walls more suitable for commercial buildings. To improve energy efficiency and reduce the building’s dependence on fossil fuels, the developer installed electric air source heat pumps, LED lighting, and a 221kW solar array to replace the oil-fired steam boiler. ⁴¹ The estimated investment into the building for this phase of work was \$424,000 plus \$497,147 for renewable energy regeneration through solar panels. Work has since been completed, and the covenant was signed in in 2023. The tax relief period granted for phase one of this project will conclude in March 2028; until that time, 310 Marlborough St., LLC will pay taxes based on the pre-renovation assessed value of \$2,652,700.⁴²

This renovation has dramatically increased the building’s occupancy, turning it into a bustling hub of activity. Prior to the redevelopment, the site was approximately 50% vacant, with 15 tenants employing around 30 people. Today, the commercial space is 96% rented, housing about 50 tenants. These include light manufacturing businesses, office spaces, a charter high school, a theater, fitness studios, hair salons, many of which are start-ups and growth-stage small businesses (that began in the business incubator in the building), seeking the better access, visibility, and business support that the revitalized building provides. The range of commercial rents spans from \$12 to \$15 per square foot.⁴³

This phase provides several of the public benefits outlined by Keene’s RSA 79-E program: it enhances the economic vitality of downtown areas, enhances and improves a culturally and historically important local structure, promotes efficient design, safety, and a greater sense of community, adds to the city’s employment base, supports the integration of public art in the downtown (through murals and creative events), promotes development of sustainable building stock in the downtown, and results in an increase in energy sustainability in conformance with the city-adopted greenhouse gas initiatives.

The second phase of the project began in March 2023 with a second application for tax relief under RSA 79-E. 310 Marlborough St., LLC requested an additional five years of tax relief to add three stories of residential units atop the existing mixed-use commercial building.

This new residential component will add 57 much-needed housing units within walking distance to downtown businesses and services. The building is adjacent to the Cheshire Rail Trail and is about a 10-minute walk to Keene State College and the downtown area. The addition will add 58,215 square feet to the existing building (19,405 square feet per floor). Each floor will have 19 units, with a mix

40 This district is intended to provide “opportunities for redevelopment and revitalization of a former industrial area in an environmentally sensitive manner that is of a scale and type compatible with adjacent residential neighborhoods.” City of Keene, Land Development Code, Amended 2024.

41 City of Keene, RSA 79-E Committee Report, Application for RSA 79E by Marlboro St., LLC (@310), December 2021.

42 City of Keene, Vision Online Property Records, 310 Marlborough St., 2024, <https://gis.vgsi.com/keenenh/Parcel.aspx?pid=2045>.

43 Randall Walter (Developer), interview by Lily Kramer and Judi Barrett, March 2024.



A view of downtown Keene. Photo from the City of Keene.

of studio, one-bedroom, and two-bedroom layouts. The exterior will feature a blend of metal panels, concrete, and wood siding, with the façade designed to be broken up by decks, window placements, and French balconies. The total estimated cost for phase two is \$12,620,584.

Due to a \$3,000,000 grant the project received from the InvestNH Capital Grant Program, 15 units will be designated workforce housing for the next five years. The Assessor's office will monitor these units to ensure that they remain workforce housing during that period. The developer requested the five-year tax relief to coincide with the grant and help offset increased interest rates and construction costs. The tax relief provided by RSA 79-E made the inclusion of affordable units, and the overall project, possible.

The developer also received a \$300,000 grant from the N.H. Department of Energy to cover some of the costs of the new energy-efficient biomass boiler system to replace the previous system of oil and propane heat.⁴⁴ One of the standout features of this project is its commitment to energy efficiency and sustainability.⁴⁵ A key aspect of this commitment is the continued insulation of solar to meet the building's power demands. Additionally, there will be electric car charging on site, and the building is being built to a net zero standard.

Notably, the building also employs innovative construction techniques, incorporating a structural system that utilizes mass timber components, and energy efficiency. The choice of wood for this project was motivated by its lighter weight, which minimizes the impact on the existing foundation. At the same time, wood construction sequesters carbon.

This phase of the project provides many of the same public benefits as the first phase. The addition of housing to the building improves a locally important structure and enhances the economic vitality of downtown areas by adding housing opportunities that will likely increase economic activity in the downtown. The live-work community created by @310 promotes efficient design, safety, and a greater sense of community in a manner consistent with the Keene Comprehensive Master Plan. The innovative construction techniques and emphasis on energy efficiency



Rendering of what the final building will look like once the second phase of work is complete. Photo from @310.

44 Green, Rick. "Dozens of Residential Units Considered for Old Industrial Building in Keene." The Keene Sentinel, October 4, 2022. https://www.sentinel-source.com/news/local/dozens-of-residential-units-considered-for-old-industrial-building-in-keene/article_44997f99-4956-5eb9-bcdc-c8e7b9755ed6.html.

45 The redevelopment is designed to be consistent with the both the 2012 Master Plan and the Keene Energy Plan.

promotes the development of a sustainable building stock in the downtown that achieves a nationally or internationally recognized green building standard.⁴⁶ @310 will add to the city's employment base, having already created two positions, with additional hires anticipated in the coming years. The developer also used a local company to create the wall panels used in constructing the residential addition and anticipates further growth opportunities for other local contractors. Rather than building on open space, the @310 project is utilizing existing infrastructure and the base building as its foundation. As a result, the City Council awarded the requested five years of tax relief.⁴⁷

The redevelopment of 310 Marlboro Street represents a significant enhancement to the economic vitality of the area, aligning with the broader goals of the 2012 Master Plan, Marlboro Street Corridor, BGR District, and the interest of Keene as a sustainable and green community. The project's ability to adapt an existing industrial building into a vibrant, mixed-use community highlights the potential for similar initiatives to transform other underutilized properties in urban areas. @310 is a shining example of how RSA 79-E can help strategic redevelopment happen. With its commitment to sustainability, community, and economic vitality, this project is poised to have a lasting positive impact on the city of Keene.

Case Study 6: Lebanon

Lebanon adopted RSA 79-E in 2016 to encourage the rehabilitation of existing buildings and structures in downtown Lebanon and downtown West Lebanon. The City's 2012 Master Plan cites downtown revitalization as a key issue and priority, recommending a focus on rehabilitating and fully occupying existing buildings and increasing site density through infill development. Additionally, expanding residential housing in Lebanon's downtowns is a goal expressed in the 2012 Master Plan and recent visioning efforts for Downtown Lebanon and West Lebanon Village. The city has used RSA 79-E to promote and enhance downtown Lebanon as a vital business, social, and recreational center of the community, while preserving its historic "small-town" atmosphere.⁴⁸ Since adopting RSA 79-E, five property owners in Lebanon have received tax relief.⁴⁹

4 South Park – 4 S Park Street

Just days after Lebanon's City Council adopted RSA 79-E, they received the first application for tax relief for 4 S Park Street, a 0.58-acre property in downtown Lebanon. The owner of 4 South Park Street, Dana Seguin, had recently completed renovations to the main structure on the property, converting it from a single-family dwelling to a five-unit multifamily dwelling. He then applied for seven years of tax relief (five for the substantial rehabilitation and two for the creation of new residential units) under RSA 79-E to develop three additional units where the back 'ell' of the building had previously stood before it was demolished due to significant structural issues. Seguin applied for tax relief to construct a new 1,319 square foot addition that would add 3 additional units in a new back ell.

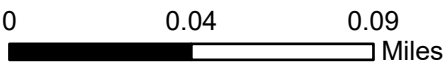
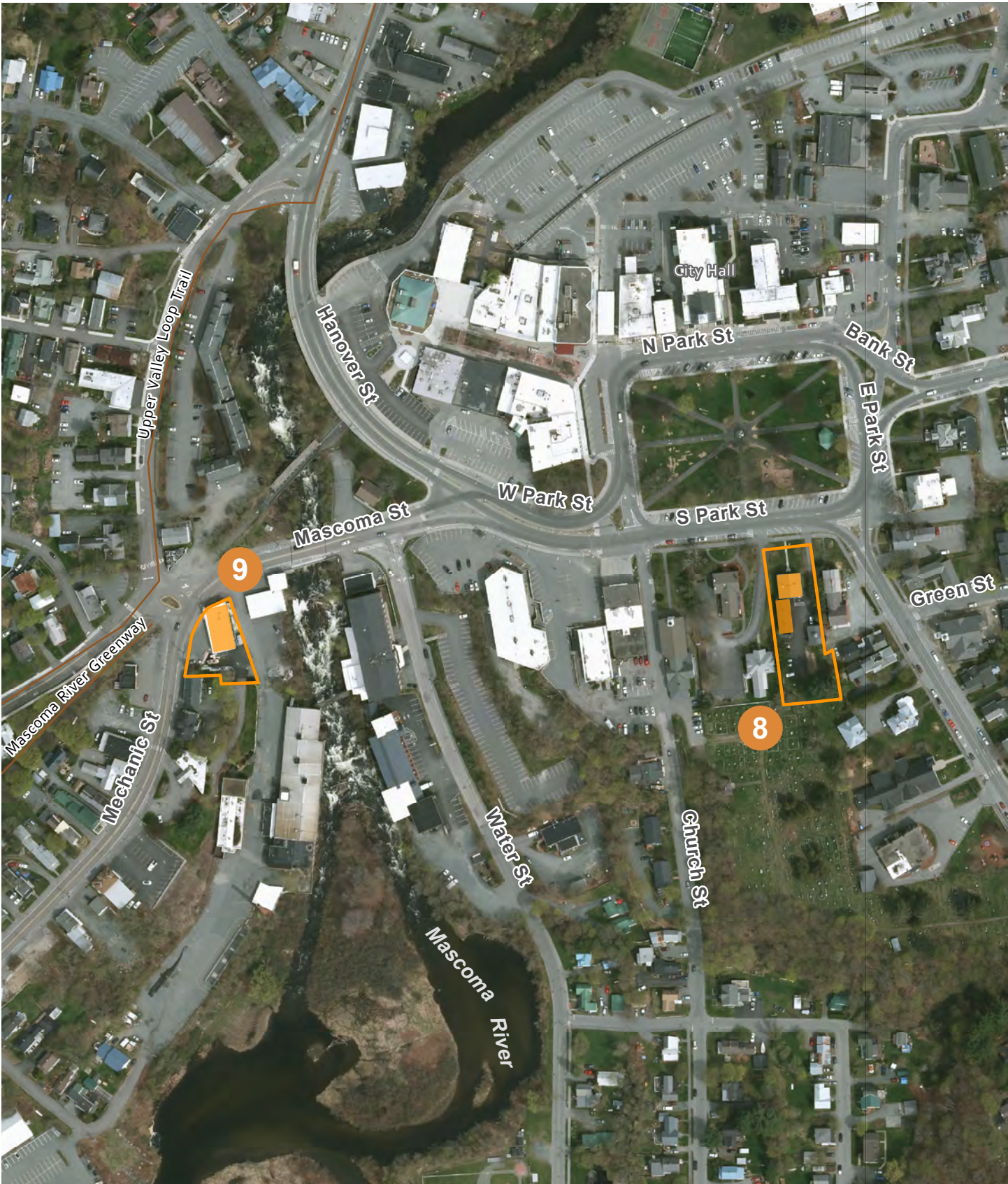
Upon receiving the application, the City Assessor reviewed the property and determined the pre-rehabilitation assessed valuation to be \$593,500. Under the terms of the 79-E program, as adopted by the City, the project must cost at least 15% of the pre-rehabilitation assessed valuation (or \$75,000, whichever is less) to be considered substantial. Seguin provided an estimate of \$247,000 for the construction of the additional three units. The building inspector reviewed the proposed project plans and verified that the estimated cost was reasonable based on the scale and scope of the project, thus qualifying the project as a "substantial rehabilitation" (as the estimated construction costs were 42% of the pre-rehabilitation assessed value).

46 The estimated home energy score is 10.

47 City of Keene, City Council Agenda, 79E Community Revitalization Tax Relief Application for 310 Marlboro Street, May 4, 2023.

48 City of Lebanon Master Plan, Adopted March 26, 2012, <https://lebanonnh.gov/461/Lebanon-Master-Plan>.

49 David Brooks (Deputy City Manager, City of Lebanon), interview by Lily Kramer, January 2024.



Date: September 2024
 Source: City of Lebanon and NHGRANIT



Information depicted on this map is for general planning purposes only. This information is not adequate for legal boundary definition, regulatory interpretation, or parcel level analysis.

- 8. 4 South Park
- 9. 1 Mechanic Street
- Parcel Boundary
- Building Footprint

The proposed project resulted in an increase in residential housing in downtown Lebanon by converting a single-family house into an eight-unit multifamily building. The project contributes to downtown growth by providing greater efficiency, safety, and a sense of community. By increasing housing opportunities, it encourages more people to live in town, potentially reducing traffic and encouraging walking. In addition, the new units are expected to boost the economic vitality of downtown by enhancing the character of the Lebanon green and through residents' support of downtown businesses.



Front of 4 South Park Street. Photo from Zillow.

This project also contributes to the preservation of the city's historic character. The renovation carefully incorporated the historic elements of the original structure, restoring the front house's exterior façade. The new back ell, separated from the main house by an open breezeway, was designed to break up the massing of the overall structure and add character while complying with modern building and fire codes. Although the new dwelling units were proposed in a new building due to the extensive deterioration of the former ell structure, the property itself remains a culturally and historically significant structure within the Colburn Park Historic District.⁵⁰ This blend of old and new ensures the property continues to contribute to the character of the historic district.

The City Council determined the project and property to comply with the terms of the RSA 79-E program and awarded the requested seven years of tax relief. The tax relief period ended in 2023, and the property is now being taxed based on its full market value. Both the city and property owner state that the tax relief granted under RSA 79-E was critical in seeing this project come to fruition. By integrating modern functionality with historical preservation, the project showcases the significant public benefits that RSA 79-E incentivizes.⁵¹

⁵⁰ The required approval for the demolition and replacement of the back ell was obtained from the Lebanon Heritage Commission in January 2015. City of Lebanon, City Council Agenda, March 16, 2016.

⁵¹ City of Lebanon, City Council Agenda, March 16, 2016.

1 Mechanic Street

In 2021, the owner of 1 Mechanic Street applied for tax relief under RSA 79-E to convert the building from its previous commercial use to an 18-unit multifamily building. Formerly a brown-field site due to contamination from leaking gasoline when it operated as a gas station, the dilapidated building most recently was a NAPA auto parts store. The owner applied for a minimum of seven years (five for the substantial rehabilitation and two for the creation of new residential units) but requested that the City Council consider an additional four years for the inclusion of affordable housing units. The proposed project involved a complete interior renovation, exterior rehabilitation, and remediation of gasoline pollution coordinated with the NH Department of Environmental Services.

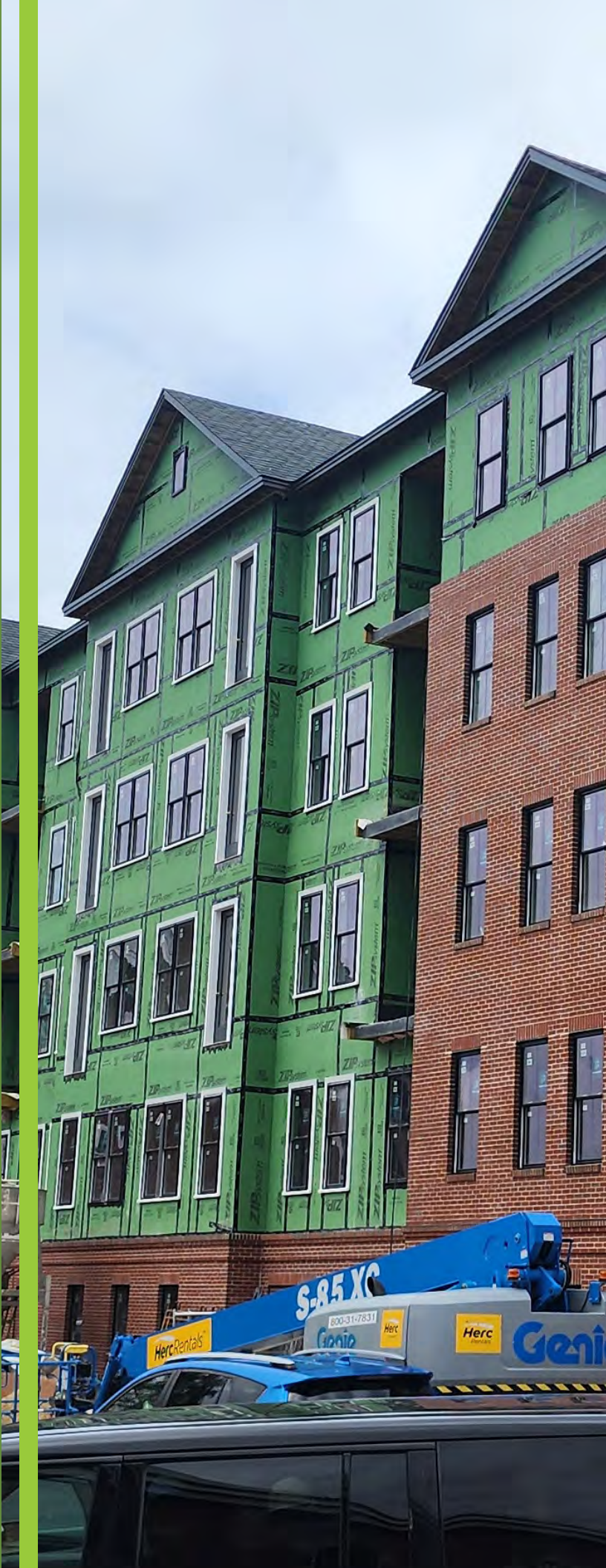
The project provides several of the public benefits outlined in RSA 79-E. Most notably, it added 18 market-rate units in downtown Lebanon, significantly increasing housing availability and boosting potential economic activity in the area. The creation of additional housing addresses a critical need identified by both the 2012 Master Plan and downtown employers, who have struggled to hire new staff due to a lack of local housing options. Located less than 100 feet from the rail trail, the river, and an Advance Transit bus stop, the building offers easy access to downtown amenities including businesses, recreational facilities, and government services. This walkable location is expected to contribute significantly to the economic vitality of downtown, with tenants likely to patronize local businesses, enjoy local entertainment, and engage in activities that support the city's economy and vibrancy. The project also supports the preservation and reuse of existing building stock by creatively repurposing the shell of the century-old commercial building.

After receiving the application, the City Assessor reviewed the property and confirmed its pre-rehabilitation assessed value at \$285,900. Under the terms of the RSA 79-E program, the project needed to meet or exceed 15% of this value (\$42,885) to qualify as substantial. With an estimated renovation cost of \$1,675,000, the project far exceeded the required threshold.

In this case, the City Council had to determine what definition of “affordable” justified the additional four years of tax relief, as RSA 79-E does not define the term “affordable” for purposes of the tax relief incentive program or specify any minimum number or percentage of units that must be considered affordable to merit the tax relief. The applicant referenced the definition of “affordable” from the NH Workforce Housing Statute (RSA 674:58) and indicated that at least a third of the rental units would be affordable to a one-person household earning 100% of the AMI for Grafton County.

Ultimately, the City Council decided not to grant the additional four years of tax relief, as they felt the “affordable” units proposed by the applicant were market-rate units that the applicant argued would be affordable to someone with a sufficient income. Instead, they approved seven years of tax relief which enabled the developer to secure credit from a bank.⁵²

3. A PRIMER ON RESIDENTIAL PROPERTY REVITALIZATION ZONES (RSA 79-E:4-B)



3.1 Residential Property Revitalization: Revitalizing Existing Housing Stock

In 2021, the legislature added provisions to RSA 79-E that focus specifically on housing. Under RSA 79-E:4-b, cities and towns can establish Residential Property Revitalization Zones to improve housing quality in established neighborhoods of single-family and small-scale multifamily homes. This provision gives communities a tax relief tool to spur investment in major alterations and improvements to aging, substandard housing. The property tax relief under RSA 79-E:4-b encourages the repair and rehabilitation of unused or underused residential units to increase the supply of safe, decent, affordable housing. The increased value of the revitalized property results in increased revenues for the municipality after the relief period ends.

Under this program, a community can designate a **Residential Property Revitalization Zone (RPRZ)**. This allows the owners of qualifying residential structures located in the RPRZ to apply to the governing body to delay an increase in property taxes resulting from renovations. Approved property owners can receive tax relief to improve the quality or condition, or use of the existing residential structure. Cities and towns may grant tax relief for the qualifying structures as described in RSA 79-E:4 for the period of tax relief under RSA 79-E:5, up to a maximum of 20 years.

3.2 What structures qualify?

A “qualifying structure” under RSA 79-E: 4-b is an existing residential structure in a designated RPRZ that is...

- At least 40 years old and either
- A one- or two-family home or
- A multifamily dwelling with not more than 4 units.

3.3 What projects are eligible?

The proposed renovation must significantly improve the quality, condition, and/or use of an existing residential structure. Additionally, the improved property must provide at least one of the following public benefits:

- Enhances the economic vitality of the downtown;
- Enhances and improves a culturally or historically significant structure;
- Promotes the preservation and reuse of existing building stock;
- Promotes development in municipal centers;
- Increases residential housing in urban or town centers.⁵³

EXAMPLE: An eligible public benefit for rehabilitating a single-family home could be improving the neighborhood, increasing the values of abutting properties, and increasing property taxes on the improved property after the RSA 79-E relief period is over.

Cities and towns may further establish criteria for the public benefits, goals, and measures that will determine the eligibility of qualifying structures for tax relief located within the designated RPRZ.⁵⁴

53 RSA 79-E:4.
54 RSA 79-E:7-a.

Adoption Procedures

A city or town may adopt the provisions of RSA 79-E:4-b by a vote of its legislative body in accordance with the procedures described in RSA 79-E:3 (*Refer to chapter 5 for detailed adoption procedures and Appendix B for a flowchart of the adoption procedures*). After adopting RSA 79-E:4-b, the local governing body must designate the area of an RRPZ.

How long is the relief period?

Properties in Residential Revitalization Zones are eligible for the same tax relief period as those in RSA 79-E downtown districts. Owners of qualifying structures can potentially receive up to 15 years of tax relief: five years for substantial rehabilitation (significant improvement), an additional two years for the creation of new residential units, an additional 4 years for the inclusion of new affordable housing units, and an additional four years for the substantial rehabilitation of a historic structure, provided the rehabilitation is conducted in accordance with the energy efficiency guidelines in the U.S. Secretary of the Interior’s Standards for Rehabilitation.⁵⁵ The tax relief begins upon completion of construction and no property may be granted tax relief under RSA 79-E:4-b more than once in a 20-year period.

3.4 What can it do?

- Residential Property Revitalization Zones can:
- Spur economic development in targeted areas.
- Create incentives to renovate older housing stock without up-front cost to the municipality or other government bodies, while ensuring increased municipal revenues once the RPRZ tax relief expires.
- Increase the feasibility of rehabilitating unutilized and underutilized structures, thus increasing the available housing stock while preserving the character of the community.

3.5 Considerations

- The key trade-off of this program is property revitalization and renovations versus short-term increased local tax revenue. The tax relief can make a significant difference to the owners of substandard housing that may be very expensive to improve.
- RSA-79-E:4-b is designed to encourage the owners of one- to four-unit buildings to improve their properties. Owners of these small-scale buildings may need technical assistance to work with the program, especially if they are inexperienced applicants.
- Property owners must be able to finance the cost of renovations necessary to “significantly improve” their existing residential structures. This may be challenging for some eligible homeowners.
- Eligible projects in qualifying structures under the RPRZ program include those that improve the “use of the existing residential structure.”⁵⁶ This includes the development of accessory dwelling units (ADUs). Property owners of qualifying single-family homes within the RPRZs could receive tax relief to create an attached or detached ADU, depending on the community’s regulations. New Hampshire Housing offers ADU resources for local officials and homeowners.⁵⁷
 - [ADU Guide for Municipalities](#)
 - [ADU Guide for Homeowners](#)

55 RSA 79-E:5, III; The Secretary of the Interior’s Standards for Rehabilitation.

56 RSA 79-E:4-b, I.

57 <https://www.nhhfa.org/wp-content/uploads/2019/08/ADU-Guide-for-Municipalities-2017.pdf>; <https://www.nhhfa.org/wp-content/uploads/2019/06/ADU-Guide-for-Homeowners-2018.pdf>.



4. A PRIMER ON HOUSING OPPORTUNITY ZONES (RSA 79-E:4-C)



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4.1 Housing Opportunity Zones: Constructing New (Affordable) Housing

In 2022, the legislature amended RSA 79-E to allow community revitalization tax incentives for the construction of additional housing in Housing Opportunity Zones under RSA 79-E:4-c. The same bill (HB 154) also revised the household income affordability standards in RSA 204-C:57, IV, applying them to development within Housing Opportunity Zones. The bill's sponsors noted the extraordinary need for housing in New Hampshire, particularly affordable housing. Similar to 79E:4-b, the Housing Opportunity Zone is enabling legislation aimed at encouraging communities to invest in affordable housing development and provide working families with greater access to affordable housing options.

A Housing Opportunity Zone is an area within a community where qualifying housing developments can receive property tax relief for up to 10 years. Under this program, when a community designates an area as a "Housing Opportunity Zone," housing developers can apply to the governing body to delay increased property taxes resulting from the improvements.

4.2 What structures qualify?

A "qualifying structure" under RSA 79-E:4-c is a housing unit(s) or property located within the Housing Opportunity Zone established by the municipality.

4.3 What projects are eligible?

To be eligible for tax relief under RSA 79-E:4-c developments are required to meet certain levels of affordability based on two different approaches:

1. At least one-third of the housing units constructed must be designated for households with an income of 80% or less of the Area Median Income (AMI) as measured by the United States Department of Housing and Urban Development (HUD); or
2. The constructed units must meet an alternative mix of incomes from the following (see 4.6 Definitions):
 - At least 50% of the units must be affordable to households with incomes of up to 80% of AMI; or
 - At least 40% of the units must be affordable to households with incomes of up to 60% of AMI; or
 - At least 20% of the units must be affordable to households with incomes of up to 50% of AMI.

4.4 How long is the relief period?

A qualifying structure is eligible for tax assessment relief for up to 10 years, beginning upon issuance of the certification of occupancy.

4.5 Adoption Procedures

A city or town may adopt the provisions of RSA 79-E:4-c by a vote of its legislative body, following the procedures described in RSA 79-E:3 ([refer to Chapter 5 for detailed adoption procedures and Appendix B for a flowchart of the adoption procedures](#)). Unlike the establishment of the original RSA 79-E:4 provisions and RRPZ (RSA 79-E:4-b), which call for the local governing body to designate applicable geographical areas, the designation of a Housing Opportunity Zone requires adoption by the municipal legislative body.

4.6 Definitions

Area Median Income (AMI) is the income which divides the income distribution of an area into two groups of equal size, half with incomes above the median and half with incomes below the median. The U.S. Department of Housing and Urban Development (HUD) calculates median household income for households, families, and unrelated individuals.

HUD has divided the state into regions, known as Fair Market Rent Areas, and annually calculates median incomes for different family sizes for each region. These income standards are reported each year in the spring and are available on both HUD's and New Hampshire Housing's websites.⁵⁸

Person of very low income means any single individual or any family whose gross income is less than or equal to 50% of the of the median income of all households of the same size living within the same FMRA.

Person of low income means any household whose gross income is greater than 50% and less than or equal to 60% of the median income of all households of the same size living within the same FMRA.

Person of moderate income means any household whose gross income is greater than 60% and less than or equal to 80% of the median income of all households of the same size living within the same FMRA.

4.7 What can RSA 79-E:4-b do?

Housing Opportunity Zones can:

- Encourage new housing development in areas designated for growth or investment.
- Provide incentives to build new housing units by redeveloping existing structures or building new developments.
- Provide new housing options for lower-income households that are otherwise underserved by new residential development.
- Spur economic development in targeted areas.
- Create housing incentives without requiring up-front cost to the municipality or other government bodies, while guaranteeing growth in the tax levy after the tax relief period ends.
- Allow development in lower-cost areas outside downtown and village centers.

58 New Hampshire Office of Planning and Development, NH Housing Toolbox, 2024, <https://nhhousingtoolbox.org/strategies/community-revitalization-tax-relief-79-e/>.

4.8 Considerations

- The key trade-off for this program is new affordable housing versus increased local tax revenue. Tax relief becomes crucial when the real estate market cannot produce affordable housing in areas targeted by the community, and if it helps offset the increased costs of constructing affordable housing units.
- Ideally, the need for relief should be supported by a history of (underutilized?) sites in the target area and current real estate financial analysis. In some limited “hot” real estate markets, developers may be able to provide mixed-income housing without RSA 79-E tax relief. Communities could also consider other incentives (outside of RSA 79-E), such as density bonuses or dimensional relief, to promote affordable housing.
- The Housing Opportunity Zone is another tool to help provide affordable housing developments, and it will have synergy with other incentives and programs like the state Affordable Housing Fund and the federal Low-Income Housing Tax Credit (LIHTC). However, properties in which more than 50% of the rehabilitation or construction costs are covered by state or federal grants or funds are not eligible for tax relief under RSA 79-E.⁵⁹
- The community will need the capacity to enforce regulations, ensuring that the units in a qualifying structure are rented and sold to income-eligible residents.⁶⁰

4.9 Determining Affordable Rents and Income Eligibility

For properties to receive tax relief under RSA 79-E:4-c, developments must provide a certain proportion of units that are affordable for various income levels. These income levels have specific definitions (*see 4.6 Definitions*) and differ based on the area and household size, with updates made annually. Cities and towns need to establish both income and affordable rent limits for moderate-, low-, and very low-income persons in their area so that the governing body can determine whether applications for tax relief in Housing Opportunity Zones meet the legal requirements.⁶¹

59 RSA 79-E:14.

60 New Hampshire Office of Planning and Development, NH Housing Toolbox, 2024, <https://nhhousingtoolbox.org/strategies/community-revitalization-tax-relief-79-e/>.

61 Refer to New Hampshire Housing’s website for a list of towns by HUD Fair Market Rent area and current HUD limits and Fair Market Rents: <https://www.nhhfa.org/publications-data/nh-consolidated-planning-for-hud/>.

Using HUD Data to Determine Income and Rent Limits

EXAMPLE: The city of Dover is in the Portsmouth-Rochester Fair Market Rent Area (FMRA). HUD determined the median income for a family of four in the Portsmouth-Rochester FMRA to be \$136,000 in 2023 (see Table 3). A four-person household with an income of \$94,650 qualified as a household at 80% of AMI in 2023. A four-person moderate income household has income between \$73,920 and \$94,650 in 2023. A low-income household of the same size had income between \$61,600 and \$73,920. A very low-income household of the same size had income at or below \$61,600.

Table 2. Income limits for the Portsmouth-Rochester FMRA and Coos County FMRA

Portsmouth-Rochester FMRA: HUD Median Family Income: \$136,000								
Income Limit	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
80% AMFI	\$66,300	\$75,750	\$85,200	\$94,650	\$102,250	\$109,800	\$117,400	\$124,950
60% AMFI	\$51,780	\$59,160	\$66,540	\$73,920	\$79,860	\$85,800	\$91,680	\$97,620
50% AMFI	\$43,150	\$49,300	\$55,450	\$61,600	\$66,550	\$71,500	\$76,400	\$81,350
30% AMFI	\$25,900	\$29,600	\$33,300	\$36,950	\$39,950	\$42,900	\$45,850	\$50,560
Coos County FMRA: HUD Median Family Income: \$78,700								
Income Limit	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
80% AMFI	\$56,000	\$64,000	\$72,000	\$80,000	\$86,400	\$92,800	\$99,200	\$105,600
60% AMFI	\$42,000	\$48,000	\$54,000	\$60,000	\$64,800	\$69,600	\$74,400	\$79,200
50% AMFI	\$35,000	\$40,000	\$45,000	\$50,000	\$54,000	\$58,000	\$62,000	\$66,000
30% AMFI	\$21,000	\$24,000	\$27,000	\$30,000	\$35,140	\$40,280	\$45,420	\$50,560
Source: New Hampshire Housing, "HUD Income Limits," 2023.								

EXAMPLE: Berlin is in Coos County. The Coos County FMRA median income for 2023, for a family of four as determined by HUD is \$78,700 (see Table 4). A four-person household with an income of \$80,000 in 2023 qualified as a household at 80% AMI. A four-person household with moderate income had an income of at least \$60,000 but no more than \$80,000 in 2023. A low-income household of the same size had an income between \$50,000 and \$60,000. For a very low-income household of the same size, the maximum allowable income was \$50,000.

HUD also publishes the rent limits for apartments of different sizes for each FMRA. Table 3 reports the maximum rents for Dover and Berlin in 2023. Assuming 1.5 people per bedroom, the maximum rent for a four-person household with income at 80% AMI would be \$2,461 in Dover and \$2,080 in Berlin. If the same household was very low income, the maximum rents would drop to \$1,740 and \$1,300 in Dover and Berlin respectively.

Table 3. Rent limits for the Portsmouth-Rochester FMRA and Coos County FMRA

Portsmouth-Rochester FMRA							
Rent Limit	Efficacy	1 Bed-room	2 Bed-room	3 Bed-room	4 Bed-room	5 Bed-room	6 Bed-room
Fair Market Rent	\$1,481	\$1,582	\$2,003	\$2,557	\$2,999	\$3,449	\$3,899
80% AMFI	\$1,657	\$1,775	\$1,775	\$2,461	\$2,745	\$3,029	\$3,312
60% AMFI	\$1,405	\$1,506	\$1,807	\$2,088	\$2,329	\$2,570	\$2,809
50% AMFI	\$1,171	\$1,255	\$1,506	\$1,740	\$1,941	\$2,141	\$2,341
Coos County FMRA							
Rent Limit	Efficacy	1 Bed-room	2 Bed-room	3 Bed-room	4 Bed-room	5 Bed-room	6 Bed-room
Fair Market Rent	\$654	\$748	\$960	\$1,275	\$1,280	\$1,472	\$1,664
80% AMFI	\$1,400	\$1,500	\$1,800	\$2,080	\$2,320	\$2,560	\$2,800
60% AMFI	\$1,050	\$1,125	\$1,350	\$1,560	\$1,740	\$1,920	\$2,100
50% AMFI	\$875	\$937	\$1,125	\$1,300	\$1,450	\$1,600	\$1,750
Source: New Hampshire Housing, "HUD Income Limits," 2023.							

Both examples above recognize the statutory requirement that housing affordability is based on the standard of households paying no more than 30% of their income on housing costs. As shown here, differences in median household income levels – and consequently the maximum affordable monthly rents – can vary significantly depending on where in New Hampshire one lives.

5. PROCESS FOR ESTABLISHING ZONES



The provisions allowing cities and towns to establish a Residential Property Revitalization Zone (RSA 79-E:4-b) and a Housing Opportunity Zone (RSA 79-E:4-c) must be adopted separately from the municipality’s existing RSA 79-E:4 program, if it has one, and must follow the procedures laid out in RSA 79-E:3. This section contains both the required steps under the statute and recommended steps based on interviews and best practices.

5.1 Getting Started

Before formally adopting either RSA 79-E:4-b or RSA 79-E:4-c, communities should consider taking the following steps:

- Recognize and promote the proposed zone’s⁶² impact on common master plan goals, such as increasing housing options and affordability, supporting economic development in downtowns and village centers, preserving historic structures, and more.
- Include in their master plan update adoption of RSA 79-E, with a Residential Property Revitalization Zone or Housing Opportunity Zone as a recommendation.
- Conduct a public engagement process to determine areas of the community that could be designated a Residential Property Revitalization Zone or Housing Opportunity Zone. Unlike the Community Revitalization Tax Incentive, these zones do not need to be in “downtown” or “village” areas, but they can be.
- Draft legislation to adopt the Residential Property Revitalization Zone or Housing Opportunity Zone (the legislation should define its geographic boundaries).⁶³

5.2 Local Adoption Procedures and Requirements

The next step is for the local legislative body to adopt the legislation. RSA 79-E:3 outlines the required steps for adoption and establishing any of the zones under RSA 79-E. In towns, that have not adopted a charter under RSA 49-D, the Select Board places the question on a special or annual town meeting warrant. The question may also be added to the warrant by petition under RSA 39:3.⁶⁴ In a city or town that has adopted a charter under RSA 49-C or RSA 49-D, the City or Town Council considers and acts on the question following its normal procedures required by the local charter. Alternatively, the question may be placed on a municipal election ballot for voter approval.⁶⁵ If the majority votes “yes,” the local governing body is authorized to designate the district and grant tax relief incentives and may begin accepting and considering applications for the proposed program (RSA 79-E:4-b or RSA 79-E:4-c).⁶⁶

5.3 Application Process

Upon local adoption, the city or town should develop application materials and a process for property owners to apply for the Residential Property Revitalization Zone or Housing Opportunity Zone programs. At minimum, the application must include the property address, a description of the intended rehabilitation, replacement, or construction, any changes in use resulting from the proposed work, and an application fee.⁶⁷

62 RSA 79-E:4 and RSA 79-E:4-b do not require designation of a downtown/village district or Residential Property Revitalization Zone prior to adoption. However, a Housing Opportunity Zone must be defined by the local legislative body.

63 New Hampshire Office of Planning and Development, NH Housing Toolbox, 2024, <https://nhhousingtoolbox.org/strategies/community-revitalization-tax-relief-79-e/>.

64 RSA 79-E:3, II.

65 RSA 79-E:3, III.

66 RSA 79-E:3, IV.

67 RSA 79-E:4, I.

The city or town should designate a point person in the city or town hall to receive and review applications for completeness and provide technical assistance to prospective applicants.

RECOMMENDED: Communities should actively promote the Residential Property Revitalization Zone and Housing Opportunity Zone programs to property owners in the designated district and to locally active property developers. This can be done by sending letters, posting the process and application materials to the community’s website, and promoting the incentives through social media and newsletters.

RECOMMENDED: Communities have also required additional information and documentation from applicants including:

- Description of the proposed public benefits to be provided
- Property deed
- Assessor’s card
- Development plans
- Project budget/financing package
- Project pro forma
- Estimates/bids for construction

For projects involving the replacement of a qualifying structure, the application must also include a New Hampshire Division of Historical Resources individual resource inventory form prepared by a qualified architectural historian. Additionally, it must include letter(s) from the local heritage commission and, if applicable, the historic district commission if the property is located in a local historic district (or the NH Division of Historical Resources if there are no local commissions). The inventory form should identify the historical, cultural, and architectural value of the structure(s) and the property.⁶⁸

Until all the required information has been submitted to the governing body, the application should not be considered complete, and the public hearing should not be scheduled.⁶⁹ (*See Appendix D for examples of RSA 79-E applications.*)

RECOMMENDED: Applicants should be made aware that once the application is submitted, absolutely no work can be done to the property, as it could hinder the baseline assessment and final quotes for the project. Work should only begin after the baseline assessment is completed and the application has been approved.

RECOMMENDED: Once the complete application is submitted (as determined by the community’s designated official or staff member), the application should be informed that their application has been received and is complete. This is also a good time to notify other relevant municipal officials or staff about the application.

Within 60 days of receiving a complete application, it must be reviewed by the governing body at a public hearing to determine the following:

1. Whether the building or structure is a qualifying structure.
 - In a Residential Property Revitalization Zone (RPRZ), a qualifying structure is a one or two-family home, or an attached multifamily home with no more than 4 units, located within the zone and at least 40 years old.
 - In a Housing Opportunity Zone, a qualifying structure is a housing unit or units constructed within the zone.
2. Whether the proposed project is eligible.
 - In a Residential Property Revitalization Zone, eligible projects must significantly improve the quality, condition, or use of an existing residential structure.
 - Under Housing Opportunity Zone provisions, the development must provide at least one-third of the housing units as affordable to low-income households or meet another mix of units and income levels as defined in the statute.

68 RSA 79-E:4, I.

69 RSA 79-E:4, I-a.

3. Whether there is a public benefit to granting the requested tax relief.

RECOMMENDED: The administering municipal department or staff member should make sure that the public hearing complies with New Hampshire’s posting requirements for public meetings and keep the applicant apprised of the hearing date. Encourage the applicant to attend the public hearing to explain the project to the governing body.⁷⁰

Within 45 days of the public hearing, the governing body must either grant (and establish the tax relief period) or deny the requested tax relief. The governing body may approve or deny the tax relief for any number of years (within the guidelines of RSA 79-E:5) provided the relief period does not exceed the years requested by the applicant.

RECOMMENDED: Some cities and towns have created processes (e.g., creating additional guidelines, providing financial scenarios, etc.) to help the governing body in determining the appropriate duration of tax relief as allowed by RSA 79-E:5, IV.

The City Council’s decision to grant tax relief is discretionary and may be denied for any reason.

- The decision to deny tax relief can only be set aside by the Superior Court or the Board of Tax and Land Appeals for bad faith or discrimination.
- The City Council may rescind the adoption of RSA 79-E at any time by following the same procedures provided in Section 79-E:4 for its adoption.
- Denial of the application must be accompanied by a written explanation and can be appealed to the Superior Court or Board of Tax and Land Appeals. Denial may be based on conflict with a tax increment finance district.
- If approved, the project is granted tax relief, and the governing body identifies the specific public benefit to be achieved, along with determining the terms and duration of the covenant to preserve the public benefit.
- Under the Residential Property Revitalization Zone, properties can receive up to 15 years of tax relief, as outlined in RSA 79-E:5.
- Under the Housing Opportunity Zone, properties can receive up to 10 years of tax relief, starting upon the issuance of the certificate of occupancy.

Finally, the covenant is recorded to protect the public benefits and may last for up to twice the duration of the tax relief period. Additionally, the covenant may include a lien against casualty insurance proceeds. Both the covenant and lien are released at end of the tax relief term.

Refer to Appendix E for example covenants

The tax relief provided by a municipality may be terminated if the property owner fails to maintain or use the property in accordance with the terms of the covenant, or if they fail to restore, rebuild, or demolish the structure following damage or destruction. In cases like this, the governing body must hold a public hearing to determine the extent of the diminution of the public benefit and decide whether to reduce or terminate the tax relief. If the relief is terminated, the property owner will be liable for back taxes.

Refer to Appendix B for flowcharts of these adoption procedures

⁷⁰ New Hampshire’s Right-to-Know Law requires a minimum of 24 hours’ notice to the public prior to a meeting (not including Sundays or holidays). The notice must include the time and place of the meeting and be published in a newspaper or posted in two “prominent” public places in the municipality one of which may be the public body’s official website. Note: This is only the minimum under the Right-to-Know Law. A public body may establish a procedural rule requiring more notice.

6. HOW THE TAX RELIEF WORKS



6.1 Determining the Starting Assessment

The **starting assessment**, or pre-rehabilitation/pre-redevelopment assessed value, is typically taken from the most recent city or town assessment. In the case of vacant lots that may be redeveloped and eligible for relief under RSA 79-E:4-c, Housing Opportunity Zone (HOP), municipalities have the discretion to determine the starting assessment. Most RSA 79-E applications require applicants to report the current assessed value of the land and building. Some communities require applicants to obtain the property's tax assessment card from the municipal assessor's office and attach it to the tax relief application.

The Town of Conway is the first New Hampshire town to adopt a HOP under RSA 79-E.4-c. Under Conway's ordinance, the amount of tax relief that can be granted is calculated on the improved value more than the original assessed value (meaning the assessed value of the Qualifying Structure when the Selectmen approve the tax relief application).

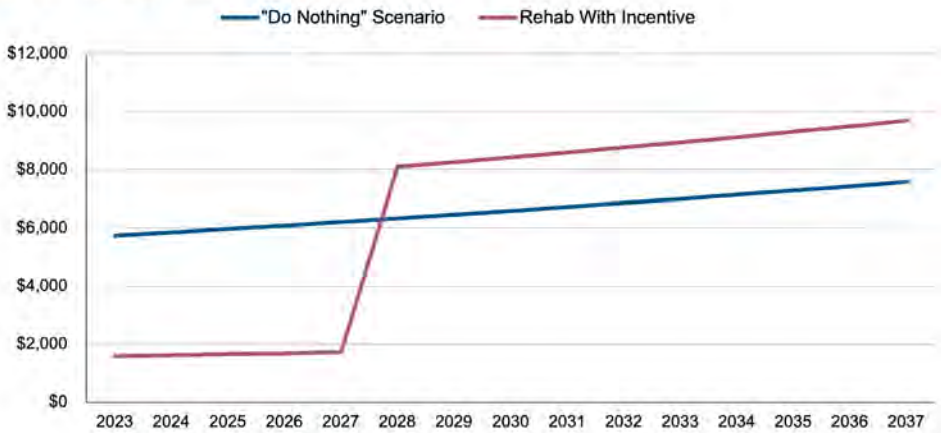
6.2 Calculating the Difference

The key is to determine the difference between the taxes the property owner will be paying during the tax relief period and what they would be paying without the relief. This difference is what incentivizes rehabilitation and redevelopment, allowing for bigger and better projects to happen. During the relief period, the property owner generally pays taxes based on the starting assessment (pre-rehabilitation assessed value), plus any increases in value due to market forces or other factors not attributable to the renovation. Some governing bodies might allow 50% (or another proportion) relief from taxes on the value of the improvements. Newmarket, for example, awarded graduated tax relief for the Newmarket Mills project, where the Town Council awarded three years of no tax increases post-completion, and two years of 50% tax relief on the increased value. After the fifth year, the developer began paying full taxes on the properties assessed value after the fifth year.⁷¹

Example 1: Tax Relief Under RSA 79-E:4-b

Suppose a \$180,000 single-family home in a Residential Property Revitalization Zone in Keene is substantially improved, increasing the assessed value of the home to \$230,000. This \$50,000 difference would provide over \$8,000 in tax relief for the property during a five-year relief period (see Table 4). The property owner would pay taxes on the pre-rehabilitation value of \$180,000, resulting in a 2023 tax bill of \$5,740. Assuming an annual increase in property value of 2% due to market forces, the property owner would benefit from an average of \$1,660 per year in property tax relief during the relief period. In year 6, Keene would begin receiving taxes on the full assessed value, resulting in a 2028 tax bill of \$8,098 (see Figure 2).

Figure 2. Property Taxes under RSA 79-E:4-b



71 Bart McDonough (Director of Planning and Community Development, Town of Newmarket), interview by Lily Kramer, January 2024.

TABLE 4. TAX RELIEF UNDER RSA 79-E:4-B

	Tax year after completion of renovations														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Base Property Condition															
Current Assessed Value	\$180,000	\$183,600	\$187,272	\$191,017	\$194,838	\$198,735	\$202,709	\$206,763	\$210,899	\$215,117	\$219,419	\$223,807	\$228,284	\$232,849	\$237,506
Projected Base Value increase		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Tax Rate	\$31.89	\$31.89	\$31.89	\$31.89	\$31.89	\$31.89	\$31.89	\$31.89	\$31.89	\$31.89	\$31.89	\$31.89	\$31.89	\$31.89	\$31.89
Estimated Base Value Taxes	\$5,740	\$5,855	\$5,972	\$6,092	\$6,213	\$6,338	\$6,464	\$6,594	\$6,726	\$6,860	\$6,997	\$7,137	\$7,280	\$7,426	\$7,574
Potential Tax Relief Benefit															
Net increased value after improvements	\$50,000	\$51,000	\$52,020	\$53,060	\$54,122	\$55,204	\$56,308	\$57,434	\$58,583	\$59,755	\$60,950	\$62,169	\$63,412	\$64,680	\$65,974
Projected Base Valuation Increase		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Tax Rate	\$31.89	\$31.89	\$31.89	\$31.89	\$31.89	\$31.89	\$31.89	\$31.89	\$31.89	\$31.89	\$31.89	\$31.89	\$31.89	\$31.89	\$31.89
Value of Taxes Forgiven	\$1,595	\$1,626	\$1,659	\$1,692	\$1,726	\$1,760	\$1,796	\$1,832	\$1,868	\$1,906	\$1,944	\$1,983	\$2,022	\$2,063	\$2,104
Taxes Paid Under RSA 79-E:4-b															
Taxes during 5-year relief period for substantial rehabilitation	\$1,595	\$1,626	\$1,659	\$1,692	\$1,726										
Taxes at expiration of tax relief period						\$8,098	\$8,260	\$8,425	\$8,594	\$8,766	\$8,941	\$9,120	\$9,302	\$9,488	\$9,678

Source: New Hampshire Preservation, City of Keene, and Barrett Planning Group LLC.



1888

LANCASTER EYE CARE

NORTHWOODS ON MAIN GIFTS

LANCASTER EYE CARE



Example 2: Tax Relief Under RSA 79-E:4-c

A potential challenge with the Housing Opportunity Zone (HOZ) is that RSA 79-E does not currently define tax relief for “new construction” – that is, development on vacant land. This may explain why the first town to adopt a Housing Opportunity Zone, the Town of Conway, opted to make tax relief available only for replacement, i.e., “the demolition or removal of a Qualifying Structure and the construction of a new structure on the same lot,” not entirely new construction on vacant land. Still, Conway’s ordinance applies to the entire town outside the floodplain district and areas deemed non-buildable under the Town’s zoning ordinance.

While the omission of tax relief for new construction on undeveloped land may be addressed in future amendments to the law, communities can already exercise some discretion in determining how best to set the original value of the property. For example, the community’s governing body could decide to approve 50% (or some other proportion) relief from taxes on the projected value of the improvements, rather than 100%. This is especially important for the HOZ, which is likely to be used for new construction of affordable or mixed-income housing. Municipalities may hesitate to give new development the extent of tax relief represented by the difference between a vacant site and the full value of completed improvements, but they can make reasonable choices about how to encourage the housing development they want without unduly burdening other taxpayers.

For example, suppose the owner of a vacant site in a Housing Opportunity Zone in Rochester applies for 10 years of tax relief. The property owner intends to build a new development with 45 apartments, a third of which will be affordable for households with an income of 80% AMI or less. The property is currently assessed for \$93,900, resulting in a 2023 tax bill of \$2,417 (see Table 5). The proposed new housing development would increase the property value to \$3,190,900. If the City opted to grant tax relief at 50% instead of the full value of the improvements, the property owner could benefit from as much as \$420,811 in forgone taxes over 10 years. In Year 11, Rochester would begin to receive taxes on the full market value of the improved site, or tax revenue of at least \$90,000 per year (see Figure 3).

Figure 3. Property Taxes Under RSA 79-E:4-c

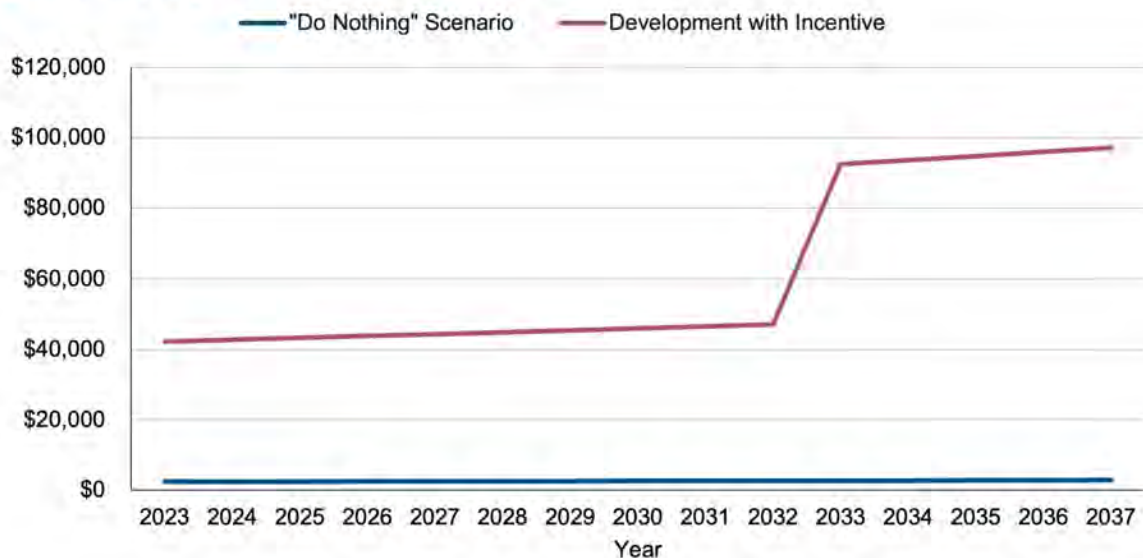


TABLE 5. TAX RELIEF UNDER RSA 79-E:4-C

	Tax year after certification of occupancy														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Base Property Condition															
Current Assessed Value	\$93,900	\$95,027	\$96,167	\$97,321	\$98,489	\$99,671	\$100,867	\$102,077	\$103,302	\$104,542	\$105,796	\$107,066	\$108,351	\$109,651	\$110,967
Projected Base Value increase		1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%
Tax Rate	\$25.74	\$25.74	\$25.74	\$25.74	\$25.74	\$25.74	\$25.74	\$25.74	\$25.74	\$25.74	\$25.74	\$25.74	\$25.74	\$25.74	\$25.74
Estimated Base Value Taxes	\$2,417	\$2,446	\$2,475	\$2,505	\$2,535	\$2,566	\$2,596	\$2,627	\$2,659	\$2,691	\$2,723	\$2,756	\$2,789	\$2,822	\$2,856
Potential Tax Relief Benefit															
Net increased value after improvements	\$3,097,000	\$3,134,164	\$3,171,774	\$3,209,835	\$3,248,353	\$3,287,334	\$3,326,782	\$3,366,703	\$3,407,103	\$3,447,989	\$3,489,364	\$3,531,237	\$3,573,612	\$3,616,495	\$3,659,893
Projected Base Valuation Increase		1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%
Tax Rate	\$25.74	\$25.74	\$25.74	\$25.74	\$25.74	\$25.74	\$25.74	\$25.74	\$25.74	\$25.74	\$25.74	\$25.74	\$25.74	\$25.74	\$25.74
Value of Taxes Forgiven	\$39,858	\$40,337	\$40,821	\$41,311	\$41,806	\$42,308	\$42,816	\$43,329	\$43,849	\$44,376	\$44,908	\$45,447	\$45,992	\$46,544	\$47,103
Taxes Paid Under RSA 79-E:4-c															
Taxes during 10-year relief period	\$42,275	\$42,783	\$43,296	\$43,816	\$44,341	\$44,874	\$45,412	\$45,957	\$46,508	\$47,067					
Taxes at expiration of tax relief period											\$92,539	\$93,650	\$94,774	\$95,911	\$97,062

Source: New Hampshire Preservation, City of Rochester, and Barrett Planning Group LLC.

7. RESOURCES



7.1 Frequently Asked Questions

Is RSA 79-E Tax Relief permanent?

No, the tax relief is not permanent. RSA 79-E is a temporary tax relief program designed to incentivize the redevelopment of underutilized properties and structures. The relief can be thought of as an assessment freeze, meaning that during the tax relief period, the property owner pays taxes on the pre-rehabilitation/pre-redevelopment assessed value. After the relief period ends, the property owner pays taxes on the full assessed value, including improvements made during the rehabilitation or redevelopment.

What is the difference between RSA 79-E and a tax increment finance program?

Unlike a tax increment finance district, the benefit of this statute is applied to individual properties within a defined area as opposed to providing a broader benefit. Consequently, it helps specific property owners to finance improvements to their properties.

What are the Benefits of RSA 79-E?

For Property Owners: If approved, the property owner receives relief from increased property taxes for up to 15 years (or 10 years in Housing Opportunity Zones), depending on the project specifics and the governing body's discretion. Approval of an RSA 79-E application defers increases in assessed value related to the improvements and refurbishments of the respective building or parcel. RSA 79-E is a tool to incentivize the revitalization of properties that are no longer viable or attractive for developers, making more projects financially feasible.

For Residents: Buildings that may have been vacant or underused for many years are rehabilitated (or in some cases, replaced), helping to revitalize the surrounding areas. Additionally, properties that receive RSA 79-E tax relief are required to provide public benefits to the community. The property's original assessed value (before rehabilitation) continues to (or possibly begins to) generate tax revenue to the municipality. Upon expiration of the term of the RSA 79-E, the property is reassessed and taxed at full market rate. Covenants between the property owner and municipality ensure that the public benefits will be provided and that the property will be maintained.

For the Municipality: RSA 79-E incentivizes investment in buildings and properties that otherwise would not attract development, revitalizing vacant or under-utilized structures. Occasionally, it allows for the redevelopment of previously tax-exempt properties, bringing them back onto the tax rolls. Upon expiration of the tax relief period, the reassessed value of the rehabilitated property increases in the municipality's tax revenue.

What is the difference between regular RSA 79-E and the Housing Opportunity Zones?

Unlike the standard Community Revitalization Tax Relief Incentive, the Housing Opportunity Zone (HOZ) Provision allows for new construction on vacant lots. Additionally, HOZs do not have to be in the municipality's downtown or village center. Furthermore, in HOZs, the maximum period of tax relief is 10 years (not 15).

What is the difference between regular RSA 79-E and the Residential Property Revitalization Zones?

Like Housing Opportunity Zones, **Residential Property Revitalization Zones** do not have to be in the municipality's downtown or village center. RSA 79-E:4-b is focused on helping individual property owners revitalize and renovate older homes.

What does “public benefit” mean?

To receive tax relief, properties are required to provide public benefits to the community. Proposed substantial rehabilitations must provide at least one of the public benefit, while proposed replacements must provide one or more public benefits to a greater degree than would be provided by rehabilitation of the structure. The statute lists the following eligible public benefits:

- Enhances the economic vitality of the downtown;
- Enhances and improves a structure that is culturally or historically important on a local, regional, state, or national level, either independently or within the context of a historic district, town center, or village center;
- Promotes the preservation and reuse of existing building stock by rehabilitating historic structures, conserving embodied energy in accordance with energy efficiency guidelines established by the U.S. Secretary of the Interior’s Standards for Rehabilitation.
- Promotes the development of municipal centers, providing for efficiency, safety, and a greater sense of community, consistent with RSA 9-B; or
- Increases residential housing in urban or town centers.

Under the adoption process outlined in RSA 79-E:3, cities and towns can further define these public benefits based on local economic conditions, community character, and local planning and development goals to help the governing body evaluate applications.

EXAMPLE: Keene has further defined public benefits to include:

Enhances downtown economic vitality

- Improves a culturally or historically important structure
- Promotes the preservation and reuse of existing building stock
- Promotes efficient design, safety, and greater sense of the community, consistent with the Keene Comprehensive Master Plan
- Creates at least one new full-time job, adding to the city’s employment base
- Incorporates public art directly into the downtown
- Achieves a nationally recognized green building standard, promoting the development of sustainable building stock
- Maintains or returns a residential building to owner occupancy
- Increases energy sustainability (in accordance with the city’s adopted greenhouse gas initiatives) by reducing carbon emissions and/or an improving the Home Energy Score

The provision of these public benefits is ensured by a covenant granted to the municipality by the property owner.

What is the “covenant to protect the public benefit?” What is required by the covenant?

In exchange for the tax relief, the property owner grants to the municipality a covenant ensuring that the structure will be used and maintained in a manner that will protect the public benefits for which the tax relief was granted.

The covenant should include commitment of the property owner to maintain the property, the entity responsible for monitoring covenant compliance, the terms of the tax relief, and provisions covering release, expiration, and enforcement. It must also require the owner to obtain casualty insurance, and flood insurance if appropriate. It may include, at the governing body’s discretion, a lien against proceeds from insurance claims for the purpose of ensuring proper restoration or demolition of damaged property.

The governing body has the discretion to determine the precise terms and duration of the covenant to preserve the public benefit. At a minimum, the covenant shall be coextensive with the tax relief period; however, the governing body can require that it be effective for up to twice the duration of the tax relief period.

The covenant is recorded with the Registry of Deeds and runs with the property. It is the responsibility of local authorities to ensure that the terms of the covenant are met.

Does the governing body have to approve the application and award tax relief if the applicant qualifies for the incentive? Does the governing body have to award the requested duration of tax relief?

No, the governing body has full discretion to approve or deny any application for tax relief under RSA 79-E. Additionally, the governing body has discretion to determine the length of the relief period, if the awarded relief is no longer than the requested relief and is within the statutory maximum.

EXAMPLE: Even if an applicant requests five years for substantial rehabilitation, the governing body can award anywhere from 1 to 5 years of tax relief. Some cities and towns have found it helpful to adopt additional guidelines to help the governing body determine the appropriate duration of tax relief (as allowed under RSA 79-E:5, IV).

Denials can be based on the tax relief's potential impact on a tax increment finance district. Property owners can appeal the denial either to the Board of Tax and Land Appeals or the superior court; however, only denials deemed to be discriminatory or in bad faith will be reversed on appeal.

Is the assessed value of the building under RSA 79-E “protected” from the effect of a town-wide revaluation?

No. Tax relief granted applies only to assessment increases attributable to substantial rehabilitation under conditions approved by the governing body, not those attributable to other factors such as market forces.⁷² If the base value of the structure prior to rehabilitation increases due to general real estate appreciation, the taxes would likely rise accordingly.

Is there a definition of affordable housing?

The general RSA 79-E Community Revitalization Tax Relief Incentive does not define affordable housing for the purposes of the tax relief program, nor does it specify a minimum number or percentage of units that must be considered affordable to merit the additional years of tax relief. Thus, the local governing body can either establish affordability requirements for projects seeking the additional four years of tax relief or make determinations on a project-by-project basis.

However, projects applying for relief under RSA 79-E:4-c are required to comply with specific definitions of affordability as described above.

Can the program be rescinded?

Yes, in the same way it was approved. A vote by the local legislative body terminating the program will have no effect on the incentives already granted or pending review.

What is the maximum number of years that can be granted for tax relief?

For RSA 79-E:4 and 4-b, properties may be granted up to 15 years of tax relief if the substantial rehabilitation or replacement project meets all the criteria, as determined by the local governing body:

- All approved projects are eligible to receive tax relief on the value of their improvements for a period of up to five years after the rehabilitation work is completed.
- Projects that create new residential units may receive up to an additional two years of tax relief.

⁷² RSA 79-E:13.

- Projects that create new affordable housing units may receive up to an additional four years of tax relief.
- Historic structures are eligible for up to an additional four years of tax relief, provided that:
 - The structure is listed on the National Register of Historic Places, State Register of Historic Places, or is an important structure located in a local historic district, and
 - The renovations are completed in accordance with the U.S. Secretary of the Interior’s Standards for Rehabilitation.

Under RSA 79-E:4-c, the maximum period of tax relief is 10 years.

The tax relief period begins after the completion of the rehabilitation period, so project owners and municipal officials should be aware of the project schedule in relation to the municipal assessor’s April 1 valuation deadline.

What are the historic preservation standards?

While the statute specifies that the rehabilitation must be conducted in accordance with the Secretary of the Interior’s Standards for Rehabilitation, the determination as to whether those standards have been followed must be decided by the municipality. The town or city may wish to consult with the State Division of Historical Resources, a preservation consultant or, at a minimum, with the local historic district or heritage commission.

How does RSA 79-E affect new or previously established tax increment financing districts?

Although there is no statutory restriction on undertaking tax relief incentive projects in a tax increment financing (TIF) district, the governing body should consider the fact that both programs seek to promote the revitalization of a defined area. Establishing an RSA 79-E tax relief district that is also a TIF district would reduce the ability of the TIF district to repay the capital expenditure for which the district was created in the first place.

Do all in-town properties qualify?

Qualifying structures must be located within one of the designated districts (RSA 79-E downtown/village center district, Residential Property Revitalization Zone, or Housing Opportunity Zone) as defined by the local governing body (or legislative body in the case of HOZs) or can be historic structures located anywhere within the municipality.

Cities and towns have the discretion to further modify the definition of “qualifying structures” (through the procedures outlined in RSA 79-E:3) by:

- Limiting eligibility based on by age, occupancy, condition, size, or other criteria consistent with local economic conditions, community character, and local planning and development goals according to the procedure in RSA 79-E:3.
- Including buildings that have been destroyed by fire or act of nature within 15 years prior to the municipality’s adoption of RSA 79-E.

Properties whose rehabilitation or construction is subsidized by state or federal grants or funds that do not need to be repaid totaling more than 50% of constructions costs are excluded.⁷³

What discretion does the statute give municipalities?

The municipality’s governing body has the discretion to:

- Approve or deny applications for tax relief;⁷⁴
- Further limit or modify “qualifying structures”;⁷⁵

73 RSA 79-E:14
 74 RSA 79-E:4.
 75 RSA 79-E:2, II.

-
- Further define the public benefits listed in RSA 79-E:7;⁷⁶
 - Further limit “substantial rehabilitation” based on local economic conditions, community character, and local planning and development goals;⁷⁷
 - Adopt additional local guidelines to help determine how to award tax relief/the appropriate length of the tax relief assessment period;⁷⁸
 - Determine the length of tax relief/award any number of years of tax relief if it is within the guidelines laid out in RSA 79-E:3 (i.e. the governing body can award anywhere from 1-15 years of tax relief for qualifying projects within downtowns/village center districts, Residential Property Revitalization Zones, or Office Conversion Zones, and anywhere from 1-10 years for qualifying projects within Housing Opportunity Zones).⁷⁹

76 RSA 79-E:7-a.

77 RSA 79-E:2, IV.

78 RSA 79-E:5, IV.

79 RSA 79-E:4; 4-c.

8. APPENDIX



Appendix A. RSA 79-E COMMUNITY REVITALIZATION TAX RELIEF INCENTIVE

TITLE V – TAXATION

CHAPTER 79-E – COMMUNITY REVITALIZATION TAX RELIEF INCENTIVE

Section 79-E:1 Declaration of Public Benefit

- I. It is declared to be a public benefit to enhance downtowns and town centers with respect to economic activity, cultural and historic character, sense of community, and in-town residential uses that contribute to economic and social vitality.
- II. It is further declared to be a public benefit to encourage the rehabilitation of the many underutilized structures in urban and town centers as a means of encouraging growth of economic, residential, and municipal uses in a more compact pattern, in accordance with RSA 9-B.
 - II-a. In instances where a qualifying structure is determined to possess no significant historical, cultural, or architectural value and for which the governing body makes a specific finding that rehabilitation would not achieve one or more of the public benefits established in RSA 79-E:7 to the same degree as the replacement of the underutilized structure with a new structure, the tax relief incentives provided under this chapter may be extended to the replacement of an underutilized structure in accordance with the provisions of this chapter.
 - II-b. It is further declared to be a public benefit to encourage the rehabilitation of historic structures in a municipality by increasing energy efficiency in the preservation and reuse of existing building stock.
- III. Short-term property assessment tax relief and a related covenant to protect public benefit as provided under this chapter are considered to provide a demonstrated public benefit if they encourage substantial rehabilitation and use of qualifying structures, or in certain cases, the replacement of a qualifying structure, as defined in this chapter.

Source. 2006, 167:1. 2009, 200:3, 4, eff. July 15, 2009. 2013, 78:1, eff. April 1, 2013.

Section 79-E:2 Definitions

In this chapter:

- I. “Historic structure” means a building that is listed on or determined eligible for listing on the National Register of Historic Places or the state register of historic places.
- II. (a) “Qualifying structure” means a building located in a district officially designated in a municipality’s master plan, or by zoning ordinance, as a downtown, town center, central business district, or village center, or, where no such designation has been made, in a geographic area which, as a result of its compact development patterns and uses, is identified by the governing body as the downtown, town center, or village center for purposes of this chapter.
 - (b) Qualifying structure shall also mean:
 - (1) Historic structures in a municipality whose preservation and reuse would conserve the embodied energy in existing building stock.

(2) A one or 2-family home or an attached multi-family home with not more than 4 units located in a residential property revitalization zone designated under RSA 79-E:4-b and which is at least 40 years old.

(c) Cities or towns may further limit “qualifying structure” according to the procedure in RSA 79-E:3 as meaning only a structure located within such districts that meet certain age, occupancy, condition, size, or other similar criteria consistent with local economic conditions, community character, and local planning and development goals.

(d) Cities or towns may further modify “qualifying structure” to include buildings that have been destroyed by fire or act of nature, including where such destruction occurred within 15 years prior to the adoption of the provisions of this chapter by the city or town.

(e) In a city or town that has adopted the provisions of RSA 79-E:4-a, “qualifying structure” also means potentially impacted structures identified by the municipality within the coastal resilience incentive zone established under RSA 79-E:4-a.

(f) In a city or town that has adopted the provisions of RSA 79-E:4-c, “qualifying structure” also means a housing unit or units constructed in a housing opportunity zone established under RSA 79-E:4-c.

(g) In a city or town that has adopted the provisions of RSA 79-E:4-d, “qualifying structure” also means a building or structure being used for office use, in whole or in part, if such use is converted to residential use, in whole or in part, in an office conversion zone established under RSA 79-E:4-d.

III. “Replacement” means the demolition or removal of a qualifying structure and the construction of a new structure on the same lot.

IV. “Substantial rehabilitation” means rehabilitation of a qualifying structure which costs at least 15 percent of the pre-rehabilitation assessed valuation or at least \$75,000, whichever is less. In addition, in the case of historic structures, substantial rehabilitation means devoting a portion of the total cost, in the amount of at least 10 percent of the pre-rehabilitation assessed valuation or at least \$5,000, whichever is less, to energy efficiency in accordance with the U.S. Secretary of the Interior’s Standards for Rehabilitation. Cities or towns may further limit “substantial rehabilitation” according to the procedure in RSA 79-E:3 as meaning rehabilitation which costs a percentage greater than 15 percent of pre-rehabilitation assessed valuation or an amount greater than \$75,000 based on local economic conditions, community character, and local planning and development goals.

V. “Tax increment finance district” means any district established in accordance with the provisions of RSA 162-K.

VI. “Tax relief” means:

(a) For a qualifying structure, that for a period of time determined by a local governing body in accordance with this chapter, the property tax on a qualifying structure shall not increase as a result of the substantial rehabilitation thereof or conversion from office, industrial, or commercial use to residential use.

(b) For the replacement of a qualifying structure, that for a period of time determined by a local governing body in accordance with this chapter, the property tax on a replacement structure shall not exceed the property tax on the replaced qualifying structure as a result of the replacement thereof.

(c) a qualifying structure which is a building destroyed by fire or act of nature, that for a period of time determined by a local governing body in accordance with this chapter, the property tax on such qualifying structure shall not exceed the tax on the assessed value of the structure that would have existed had the structure not been destroyed.

(d) “Tax relief period” means the finite period of time during which the tax relief will be effective, as determined by a local governing body pursuant to RSA 79-E:5.

Source. 2006, 167:1. 2009, 200:5-7. 2010, 329:1, 2. 2011, 237:1, 2, eff. July 5, 2011. 2013, 78:2, eff. April 1, 2013. 2017, 203:2, eff. Sept. 3, 2017. 2021, 200:2, Pt. I, Sec. 2, eff. Oct. 9, 2021; 200:2, Pt. I, Sec. 4, eff. Apr. 1, 2022. 2024, 370:8, 10, eff. July 1, 2024.

Section 79-E:3 Adoption of Community Revitalization Tax Relief Incentive Program

- I. Any city or town may adopt or modify the provisions of this chapter by voting whether to accept for consideration or modify requirements for requests for community revitalization tax relief incentives. Any city or town may do so by following the procedures in this section.
- II. In a town, other than a town that has adopted a charter pursuant to RSA 49-D, the question shall be placed on the warrant of a special or annual town meeting, by the governing body or by petition under RSA 39:3.
- III. In a city or town that has adopted a charter under RSA 49-C or RSA 49-D, the legislative body may consider and act upon the question in accordance with its normal procedures for passage of resolutions, ordinances, and other legislation. In the alternative, the legislative body of such municipality may vote to place the question on the official ballot for any regular municipal election.
- IV. If a majority of those voting on the question vote “yes,” applications for community revitalization tax relief incentives may be accepted and considered by the local governing body at any time thereafter, subject to the provisions of paragraph VI of this section.
- V. If the question is not approved, the question may later be voted on according to the provisions of paragraph II or III of this section, whichever applies.
- VI. The local governing body of any town or city that has adopted this program may consider rescinding its action in the manner described in paragraph II or III of this section, whichever applies. A vote terminating the acceptance and consideration of such applications shall have no effect on incentives previously granted by the city or town, nor shall it terminate consideration of applications submitted prior to the date of such vote.

Source. 2006, 167:1. 2010, 329:3, eff. July 20, 2010.

Section 79-E:4 Community Revitalization Tax Relief Incentive

- I. An owner of a qualifying structure who intends to substantially rehabilitate or replace such structure may apply to the governing body of the municipality in which the property is located for tax relief. The applicant shall include the address of the property, a description of the intended rehabilitation or replacement, any changes in use of the property resulting from the rehabilitation or replacement, and an application fee.
- I-a. In order to assist the governing body with the review and evaluation of an application for replacement of a qualifying structure, an owner shall submit to the governing body as part of the application, a New Hampshire division of historical resources individual resource inventory form, prepared by a qualified architectural historian and a letter issued by the local heritage commission and if the qualifying structure is located within

- a designated historic district established in accordance with RSA 674:46, a letter from the historic district commission or, if such local commissions are not established, a letter issued by the New Hampshire division of historical resources that identifies any and all historical, cultural, and architectural value of the structure or structures that are proposed to be replaced and the property on which those structures are located. The application for tax relief shall not be deemed to be complete and the governing body shall not schedule the public hearing on the application for replacement of a qualifying structure as required under RSA 79-E:4, II until the inventory form and the letter, as well as all other required information, have been submitted.
- II. Upon receipt of an application, the governing body shall hold a duly noticed public hearing to take place no later than 60 days from receipt of the application, to determine whether the structure at issue is a qualifying structure; whether any proposed rehabilitation qualifies as substantial rehabilitation; and whether there is a public benefit to granting the requested tax relief and, if so, for what duration.
 - III. No later than 45 days after the public hearing, the governing body shall render a decision granting or denying the requested tax relief and, if so granting, establishing the tax relief period.
 - IV. (a) The governing body may grant the tax relief, provided:
 - (1) The governing body finds a public benefit under RSA 79-E:7; and
 - (2) The specific public benefit is preserved through a covenant under RSA 79-E:8; and
 - (3) governing body finds that the proposed use is consistent with the municipality's master plan or development regulations; and
 - (4) In the case of a replacement, the governing body specifically finds that the local heritage commission or historic district commission or, if such local commissions are not established, the New Hampshire division of historical resources has determined that the replaced qualifying structure does not possess significant historical, cultural, or architectural value, the replacement of the qualifying structure will achieve one or more of the public benefits identified in RSA 79-E:7 to a greater degree than the renovation of the underutilized structure, and the historical, cultural, or architectural resources in the community will not be adversely affected by the replacement. In connection with these findings, the governing body may request that the division of historical resources conduct a technical evaluation in order to satisfy the governing body that historical resources will not be adversely affected.
 - (b) If the governing body grants the tax relief, the governing body shall identify the specific public benefit achieved under RSA 79-E:7, and shall determine the precise terms and duration of the covenant to preserve the public benefit under RSA 79-E:8.
 - VII. If the governing body, in its discretion, denies the application for tax relief, such denial shall be accompanied by a written explanation. The governing body's decision may be appealed either to the board of tax and land appeals or the superior court in the same manner as provided for appeals of current use classification pursuant to RSA 79-A:9 or 79-A:11 provided, however, that such denial shall be deemed discretionary and shall not be set aside by the board of tax and land appeals or the superior court except for bad faith or discrimination.
 - VIII. Municipalities shall have no obligation to grant an application for tax relief for properties located within tax increment finance districts when the governing body determines, in its sole discretion, that the granting of tax relief will impede, reduce, or negatively affect:
 - (a) The development program or financing plans for such tax increment finance districts; or

- (b) The ability to satisfy or expedite repayment of debt service obligations incurred for a tax increment financing district; or
- (c) The ability to satisfy program administration, operating, or maintenance expenses within a tax increment financing district.

Source. 2006, 167:1. 2009, 200:8-11, eff. July 15, 2009.

Section 79-E:4-a Coastal Resilience Incentive Zone

- I. A city or town may adopt the provisions of this section by vote of its legislative body, according to the procedures described in RSA 79-E:3, to establish a coastal resilience incentive zone (CRIZ). Municipalities may use storm surge, sea-level rise, and extreme precipitation projections in the 2016 report of the New Hampshire Coastal Risk and Hazards Commission, “Preparing New Hampshire for Projected Storm Surge, Sea-Level Rise, and Extreme Precipitation,” and its successor projections, to identify potentially impacted structures.
- II. The municipality implementing a CRIZ shall determine the resilience measures it deems qualifying, such as, but not limited to, elevation and free-board renovations, elevation of mechanicals, construction of resilient natural features, enhancement or creation of tidal marshes, elevation of private driveways and sidewalks, construction or enlargement of private culverts and other structures to enable increased water flow and storm-surge, and movement of property to higher elevation on the property or to a newly acquired property at a higher elevation within the municipality. Municipalities may grant tax relief to the qualifying structure and property as described in RSA 79-E:4.
- III. Municipalities may provide other relief to properties in a coastal resilience incentive zone that are subject to repeated inundation, by acquiring preservation or water control easements or establishing tax increment financing districts.
- IV. Municipalities may create a nonlapsing CRIZ fund as a capital reserve fund under RSA 34 or RSA 35, or a town-created trust fund under RSA 31:19-a, to provide funding for projected municipal costs associated with projected storm surge, sea-level rise, and extreme precipitation, and such funds may be used to support the coastal resilience incentive zone purpose established in this section.

Source. 2017, 203:3, eff. Sept. 3, 2017.

Section 79-E:4-b Residential Property Revitalization Zones

- I. A city or town may adopt the provisions of this section by vote of its legislative body, according to the procedures described in RSA 79-E:3, to establish tax relief for the owners of a one or 2-family home or an attached multi-family home with not more than 4 units and which is at least 40 years old, who significantly improves the quality, condition, and/or use of an existing residential structure in a designated residential property revitalization zone.
- II. The governing body of a municipality shall designate the area of a residential property revitalization zone in which the tax relief for qualifying structures shall apply. Municipalities may further establish criteria for the public benefits, goals, and measures that will determine the eligibility of qualifying structures for tax relief located within a designated residential property revitalization zone.
- III. Municipalities may grant tax relief to the qualifying structure and property as described in RSA 79-E:4 for the period of tax relief under RSA 79-E:5, provided that no property may be granted tax relief under this chapter more than once in a 20 year period.

Source. 2021, 200:2, Pt. I, Sec. 3, eff. Oct. 9, 2021.

Section 79-E:4-c Housing Opportunity Zone

- I. A city or town may adopt the provisions of this section by vote of its legislative body, in accordance with the procedures described in RSA 79-E:3, to establish a housing opportunity zone. To be eligible for tax relief under this section, the qualifying structure and property shall be located within the housing opportunity zone established by the municipality. No less than one-third of the housing units constructed shall be designated for households with an income of 80 percent or less of the area median income as measured by the United States Department of Housing and Urban Development, or the housing units in a qualifying structure shall be designated for households with incomes as provided in RSA 204-C:57, IV. A qualifying structure under this section shall be eligible for tax assessment relief for a period of up to 10 years, beginning upon issuance of the certification of occupancy.

Source. 2021, 200:2, Pt. I, Sec. 5, eff. Apr. 1, 2022.

Section 79-E:4-d Office Conversion Zones

- I. A city or town may adopt the provisions of this section by vote of its legislative body, according to the procedures described in RSA 79-E:3, to establish tax relief for the owners of a building or structure currently being used for office use, in whole or in part, if such use is converted to residential use, in whole or in part.
- II. The governing body of a municipality shall designate the area of office use in which the tax relief for qualifying structures shall apply. Municipalities may further establish criteria for the public benefits, goals, and measures that will determine the eligibility of qualifying structures for tax relief located within a designated office conversion zone. For the purposes of this section, “office use” means buildings or structures used or intended for use in whole or in part for the practice of a profession, the carrying on of a business or occupation or the conduct of a non-profit organization or government entity. “Office use” also includes co-working spaces.
- III. Municipalities may grant tax relief to the qualifying structure and property as described in RSA 79-E:4 for the period of tax relief under RSA 79-E:5, provided that no property may be granted tax relief under this chapter more than once in a 20 year period.

Source. 2024, 370:9, eff. July 1, 2024.

Section 79-E:5 Duration of Tax Relief Period

- I. The governing body may grant such tax assessment relief for a period of up to 5 years, beginning with the completion of the substantial rehabilitation.
 - I-a. For the approval of a replacement of a qualifying structure, the governing body may grant such tax assessment relief for a period of up to 5 years, beginning only upon the completion of construction of the replacement structure. The governing body may, in its discretion, extend such additional years of tax relief as provided for under this section, provided that no such additional years of tax relief may be provided prior to the completion of construction of the replacement structure. The municipal tax assessment of the replacement structure and the property on which it is located shall not increase or decrease in the period between the approval by the governing body of tax relief for the replacement structure and the time the owner completes construction of the replacement structure and grants to the municipality the covenant to protect the public benefit as required by this chapter. The governing body may not grant any tax assessment relief under this chapter with respect to property and structures for which an election has been made for property appraisal under RSA 75:1-a.
- II. The governing body may, in its discretion, add up to an additional 2 years of tax relief for a project that results in new residential units and up to 4 years for a project that includes affordable housing.

- III. The governing body may, in its discretion, add up to an additional 4 years of tax relief for the substantial rehabilitation of a qualifying structure that is listed on or determined eligible for listing on the National Register of Historic Places, state register of historic places, or is located within and important to a locally designated historic district, provided that the substantial rehabilitation is conducted in accordance with the U.S. Secretary of Interior's Standards for Rehabilitation.
- IV. The governing body may adopt local guidelines to assist it in determining the appropriate duration of the tax assessment relief period.

Source. 2006, 167:1. 2009, 200:12. 2010, 329:4, eff. July 20, 2010.

Section 79-E:6 Resumption of Full Tax Liability

Upon expiration of the tax relief period, the property shall be taxed at its market value in accordance with RSA 75:1.

Source. 2006, 167:1, eff. April 1, 2006.

Section 79-E:7 Public Benefit

In order to qualify for tax relief under this chapter, the proposed substantial rehabilitation must provide at least one of the public benefits, and the proposed replacement must provide one or more of the public benefits to a greater degree than would a substantial rehabilitation of the same qualifying structure, as follows:

- I. It enhances the economic vitality of the downtown;
- II. It enhances and improves a structure that is culturally or historically important on a local, regional, state, or national level, either independently or within the context of an historic district, town center, or village center in which the building is located;
- II-a. It promotes the preservation and reuse of existing building stock throughout a municipality by the rehabilitation of historic structures, thereby conserving the embodied energy in accordance with energy efficiency guidelines established by the U.S. Secretary of the Interior's Standards for Rehabilitation.
- III. It promotes development of municipal centers, providing for efficiency, safety, and a greater sense of community, consistent with RSA 9-B; or
- IV. It increases residential housing in urban or town centers.

Source. 2006, 167:1. 2009, 200:13, eff. July 15, 2009. 2013, 78:3, eff. April 1, 2013.

Section 79-E:7-a Public Benefit Determinations

Cities or towns may adopt according to the procedure in RSA 79-E:3 provisions that further define the public benefits enumerated in RSA 79-E:7 to assist the governing body in evaluating applications made under this chapter based on local economic conditions, community character, and local planning and development goals.

Source. 2010, 329:5, eff. July 20, 2010.

Section 79-E:8 Covenant to Protect Public Benefit

- I. Tax relief for the substantial rehabilitation or replacement of a qualifying structure shall be effective only after a property owner grants to the municipality a covenant ensuring that the structure shall be maintained and used in a manner that furthers the public benefits for which the tax relief was granted and as otherwise provided in this chapter.
- II. The covenant shall be coextensive with the tax relief period. The covenant may, if required by the governing body, be effective for a period of time up to twice the duration of the tax relief period.

- III. The covenant shall include provisions requiring the property owner to obtain casualty insurance, and flood insurance if appropriate. The covenant may include, at the governing body's sole discretion, a lien against proceeds from casualty and flood insurance claims for the purpose of ensuring proper restoration or demolition or damaged structures and property. If the property owner has not begun the process of restoration, rebuilding, or demolition of such structure within one year following damage or destruction, the property owner shall be subject to the termination of provisions set forth in RSA 79-E:9, I.
- IV. The local governing body shall provide for the recording of the covenant to protect public benefit with the registry of deeds. It shall be a burden upon the property and shall bind all transferees and assignees of such property.
- V. The applicant shall pay any reasonable expenses incurred by the municipality in the drafting, review, and/or execution of the covenant. The applicant also shall be responsible for the cost of recording the covenant.

Source. 2006, 167:1. 2009, 200:14, eff. July 15, 2009.

Section 79-E:9 Termination of Covenant; Reduction of Tax Relief; Penalty

- I. If the owner fails to maintain or utilize the building according to the terms of the covenant, or fails to restore, rebuild, or demolish the structure following damage or destruction as provided in RSA 79-E:8, III, the governing body shall, after a duly noticed public hearing, determine whether and to what extent the public benefit of the rehabilitation or replacement has been diminished and shall determine whether to terminate or reduce the tax relief period in accordance with such determination. If the covenant is terminated, the governing body shall assess all taxes to the owner as though no tax relief was granted, with interest in accordance with paragraph II.
- II. Any tax payment required under paragraph I shall be payable according to the following procedure:
 - (a) The commissioner of the department of revenue administration shall prescribe and issue forms to the local assessing officials for the payment due, which shall provide a description of the property, the market value assessment according to RSA 75:1, and the amount payable.
 - (b) The prescribed form shall be prepared in quadruplicate. The original, duplicate, and triplicate copy of the form shall be given to the collector of taxes for collection of the payment along with a special tax warrant authorizing the collector to collect the payment under the warrant. The quadruplicate copy of the form shall be retained by the local assessing officials for their records.
 - (c) Upon receipt of the special tax warrant and prescribed forms, the tax collector shall mail the duplicate copy of the tax bill to the owner responsible for the tax as the notice of payment.
 - (d) Payment shall be due not later than 30 days after the mailing of the bill. Interest at the rate of 18 percent per annum shall be due thereafter on any amount not paid within the 30-day period. Interest at 12 percent per annum shall be charged upon all taxes that would have been due and payable on or before December 1 of each tax year as if no tax relief had been granted.

Source. 2006, 167:1. 2009, 200:15, eff. July 15, 2009.

Section 79-E:10 Lien for Unpaid Taxes

The real estate of every person shall be held for the taxes levied pursuant to RSA 79-E:9.

Source. 2006, 167:1, eff. April 1, 2006.

Section 79-E:11 Enforcement

All taxes levied pursuant to RSA 79-E:9 which are not paid when due shall be collected in the same manner as provided in RSA 80.

Source. 2006, 167:1. 2007, 42:3, eff. July 20, 2007.

Section 79-E:12 Rulemaking

The commissioner of the department of revenue administration may adopt rules, pursuant to RSA 541-A, relative to the payment and collection procedures under RSA 79-E:9.

Source. 2006, 167:1, eff. April 1, 2006. 2016, 85:2, eff. July 18, 2016.

Section 79-E:13 Extent of Tax Relief

- I.
 - (a) Tax relief granted under this chapter shall pertain only to assessment increases attributable to the substantial rehabilitation performed under the conditions approved by the governing body and not to those increases attributable to other factors including but not limited to market forces; or
 - (b) Tax relief granted under this chapter shall be calculated on the value in excess of the original assessed value. Original assessed value shall mean the value of the qualifying structure assessed at the time the governing body approves the application for tax relief and the owner grants to the municipality the covenant to protect public benefit as required in this chapter, provided that for a qualifying structure which is a building destroyed by fire or act of nature, original assessed value shall mean the value as of the date of approval of the application for tax relief of the qualifying structure that would have existed had the structure not been destroyed.
- II. The tax relief granted under this chapter shall only apply to substantial rehabilitation or replacement that commences after the governing body approves the application for tax relief and the owner grants to the municipality the covenant to protect the public benefit as required in this chapter, provided that in the case of a qualifying structure which is a building destroyed by fire or act of nature, and which occurred within 15 years prior to the adoption of the provisions of this chapter by the city or town, the tax relief may apply to such qualifying structure for which replacement has begun, but which has not been completed, on the date the application for relief under this chapter is approved.

Source. 2006, 167:1. 2010, 329:6. 2011, 237:3, eff. July 5, 2011.

Section 79-E:14 Other Programs

The provisions of this chapter shall not apply to properties whose rehabilitation or construction is subsidized by state or federal grants or funds that do not need to be repaid totaling more than 50 percent of construction costs from state or federal programs.

Source. 2006, 167:1, eff. April 1, 2006.

Appendix B. Flowcharts of Adoption Procedures

The following three pages contain flow charts for the adoption and application process under **RSA 79-E, RSA 79-E:4-b, and RSA 79-E:4-c**. Note that these charts are a basic overview of the steps from local adoption of the incentive to termination of tax relief and do not contain all the requirements under the statute.

Refer to 5. Process for Establishing Zones for a more in depth discussion and Appendix A. for the full text of RSA 79-E.

B.1. ADOPTION PROCEDURES FOR RSA 79-E

B.2. ADOPTION PROCEDURES FOR RSA 79-E:4-B

B.3. ADOPTION PROCEDURES FOR RSA 79-E:4-C

APPENDIX B.1. RSA 79-E. COMMUNITY REVITALIZATION TAX RELIEF INCENTIVE

STEP 1: LOCAL AUTHORIZATION

Select Board places the question on a Special or Annual town meeting warrant; it may also be placed on the warrant by petition (RSA 39:3).

Town Meeting votes on question to allow RSA 79-E tax relief incentives.

City or Town Council acts upon proposal to allow RSA 79-E tax relief incentives following procedures required by local charter; or the question may be placed on a municipal election ballot for voter approval.

Governing body (Select Board or Council) authorized to grant tax relief incentives.

STEP 2: APPLICATION PROCESS

Owner of a **qualifying structure** intends to **substantially rehabilitate** or **replace*** it and applies to governing body for tax relief.

Governing body holds a public hearing within **60 days** of receiving the complete application.

1. Is it a qualifying structure?

- Located in the designated downtown, town center, or village center district
- A historic structure listed on or eligible for national or state register of historic places
- A building destroyed by fire or nature within 15 years of the local adoption of RSA 79-E*

2. If for rehabilitation, is the rehabilitation substantial: construction costs are at least \$75,000 or 15% of structure's pre-rehabilitation assessed valuation (whichever is less)?

If for **replacement***, does the existing structure have no significant historical, cultural, or architectural value (DHR format), *and* does the public benefit of replacement exceed that of rehabilitation?

3. Is there public benefit?

- Enhances the economic vitality of the downtown
- Enhances and improves a culturally or historically significant structure
- Promotes the preservation and reuse of existing building stock
- Promotes development of municipal centers
- Increases residential housing in urban or town centers

Governing body decides whether or not to grant tax relief within **45 days** of the public hearing. To grant the tax relief, it must find the following: (1) there is a specifically identified public benefit that (2) will be preserved by a covenant; and (3) the proposed use is consistent with the local master plan or development regulations; and if for replacement, that (4) the structure has no historical, cultural, or architectural value, the public benefit of replacement exceeds that of rehabilitation, and other historical, cultural, or architectural resources in the community will not be adversely affected by the replacement.

If **APPROVED**, the governing body identifies the specific public benefit achieved and determines the precise terms and duration of the covenant to preserve the public benefit.

If **DENIED**, the denial must be accompanied by written explanation. Denials based on bad faith or discrimination may be appealed to superior court or board of tax and land appeals.

A **covenant** to ensure the continued provision of public benefit is recorded at the registry of deeds. The covenant may last up to two times the term of the tax relief and runs with the property.

Property owner receives relief from tax increases attributable to the rehabilitation of the structure for **up to 5 years** and, at the governing body's discretion, an additional **2 years** for the creation of housing, an additional **4 years** for affordable housing, and/or an additional **4 years** for substantial rehabilitation of a historic structure.

At the end of the granted tax relief period, the covenant is released, and the property is taxed at full market value taking into account the renovation or redevelopment.

Termination: the tax relief may be terminated if the property owner fails to uphold the covenant. The governing body must hold a public hearing to determine the extent of the diminution of the public benefit and may reduce or terminate the tax relief. If the relief is terminated, the property owner is liable for back taxes.

*If the community has adopted this provision.

APPENDIX B.2. RSA 79-E:4-B. RESIDENTIAL PROPERTY REVITALIZATION ZONES

STEP 1: LOCAL AUTHORIZATION

Select Board places the question on a Special or Annual town meeting warrant; it may also be placed on the warrant by petition (RSA 39:3).

Town Meeting votes on question to allow RSA 79-E:4-b tax relief incentives.

City or Town Council acts upon proposal to allow RSA 79-E:4-b tax relief incentives following procedures required by local charter; or the question may be placed on a municipal election ballot for voter approval.

Governing body (Select Board or Council) authorized to grant tax relief incentives and designate the area of the residential property revitalization zone.

Owner of a **qualifying structure** intends to **substantially rehabilitate** or **replace*** it and applies to governing body for tax relief.

Governing body holds a public hearing within **60 days** of receiving the complete application.

1. Is it a qualifying structure*?

- Residential structure located in the residential property revitalization zone and at least 40 years old AND
 - a one or two family home OR
 - an attached multifamily with no more than 4 units

2. Does the proposed renovation **significantly improve** the quality, condition, and/or use of an existing residential structure?

3. Is there public benefit?

- Enhances the economic vitality of the downtown
- Enhances and improves a culturally or historically significant structure
- Promotes the preservation and reuse of existing building stock
- Promotes development of municipal centers
- Increases residential housing in urban or town centers

Governing body decides whether or not to grant tax relief within **45 days** of the public hearing. To grant the tax relief, it must find the following: (1) there is a specifically identified public benefit that (2) will be preserved by a covenant; and (3) the proposed use is consistent with the local master plan or development regulations.**

If **APPROVED**, the governing body identifies the specific public benefit achieved and determines the precise terms and duration of the covenant to preserve the public benefit.

If **DENIED**, the denial must be accompanied by written explanation. Denials based on bad faith or discrimination may be appealed to superior court or board of tax and land appeals.

A **covenant** to ensure the continued provision of public benefit is recorded at the registry of deeds. The covenant may last up to two times the term of the tax relief and runs with the property.

Property owner receives relief from tax increases attributable to rehabilitation of the structure for **up to 5 years** and, at the governing body's discretion, an additional **2 years** for the creation of housing, an additional **4 years** for affordable housing, and/or an additional **4 years** for substantial rehabilitation of a historic structure.

At the end of the granted tax relief period, the covenant is released, and the property is taxed at full market value taking into account the renovation or redevelopment.

STEP 2: APPLICATION PROCESS

Termination: the tax relief may be terminated if the property owner fails to uphold the covenant. The governing body must hold a public hearing to determine the extent of the diminution of the public benefit and may reduce or terminate the tax relief. If the relief is terminated, the property owner is liable for back taxes.

*Communities may further establish criteria for the public benefits, goals, and measures that will determine the eligibility of qualifying structures.

**No property may be granted tax relief under RSA 79-E:4-b more than once in a 20 year period.

APPENDIX B.3. RSA 79-E:4-C. HOUSING OPPORTUNITY ZONES

STEP 1: LOCAL AUTHORIZATION

Select Board places the question on a Special or Annual town meeting warrant; it may also be placed on the warrant by petition (RSA 39:3).

Town Meeting votes on question to allow tax relief incentives under RSA 79-E:4-c and establishes housing opportunity zone.*

City or Town Council acts upon proposal to establish a housing opportunity zone* and allow RSA 79-E:4-c tax relief incentives following procedures required by local charter; or the question may be placed on a municipal election ballot for voter approval.

Governing body (Select Board or Council) authorized to grant tax relief incentives.

Owner of a **qualifying structure or property** intends to construct new housing units (including the required proportion of affordable units) and applies to governing body for tax relief.

Governing body holds a public hearing within **60 days** of receiving the complete application.

1. Is it a qualifying structure?

- Structure or property located within the designated housing opportunity zone.

2. Will the proposed development meet the affordability requirements?

Qualifying income mixes include:

- at least a third of units are reserved for households making 80% or less of the AMI;
- at least 50% of the units are affordable to very low, low, or moderate income households;
- at least 40% of the units are affordable to very low or low income households; or
- at least 20% of the units are affordable to very low income households.

Governing body decides whether or not to grant tax relief within **45 days** of the public hearing.

If **APPROVED**, the property is eligible for tax assessment relief for a period of up to 10 years, beginning upon issuance of the certification of occupancy.

If **DENIED**, the denial must be accompanied by written explanation. Denials based on bad faith or discrimination may be appealed to superior court or board of tax and land appeals.

A **covenant** to ensure the continued provision of affordable units is recorded at the registry of deeds. The covenant may last up to two times the term of the tax relief and runs with the property.

Property owner receives relief from tax increases attributable to rehabilitation of the structure for **up to 10 years**.

At the end of the granted tax relief period, the covenant is released, and the property is taxed at full market value taking into account the renovation or redevelopment.

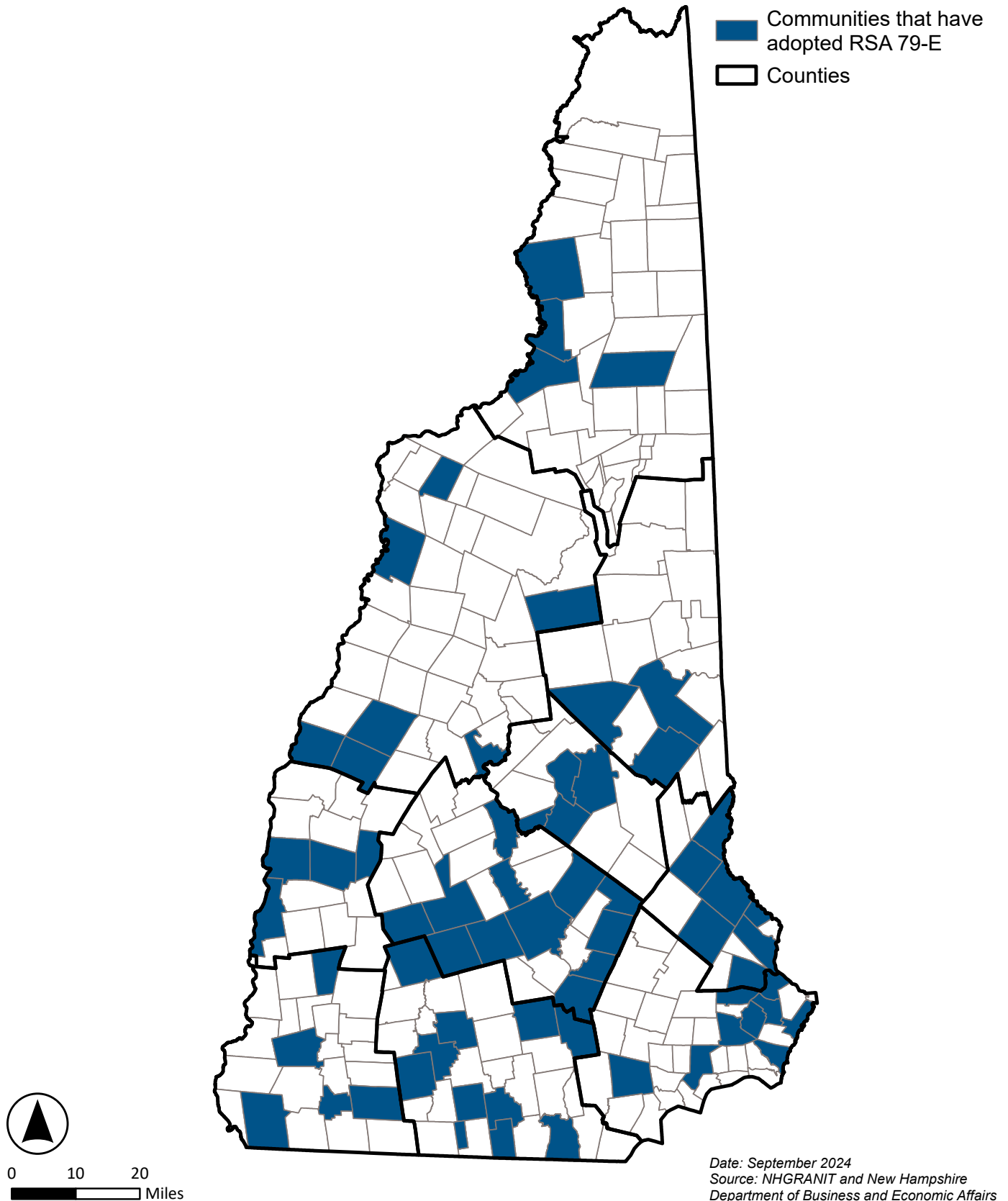
STEP 2: APPLICATION PROCESS

Termination: the tax relief may be terminated if the property owner fails to uphold the covenant. The governing body must hold a public hearing to determine the extent of the diminution of the public benefit and may reduce or terminate the tax relief. If the relief is terminated, the property owner is liable for back taxes.

*RSA 79-E:4-c requires that a housing opportunity zone is established by vote of the community's legislative body (as opposed to the governing body).

Appendix C. Communities That Have Adopted RSA 79-E¹

Map 7. Communities That Have Adopted RSA 79-E as of September 2024



1 As of September 2024.

Table 7. Communities That Have Adopted RSA 79-E as of September 2024

Municipality	County	RPC	2022 Population	Form of Government	Type of Government	79-E District Type *
Allenstown	Merrimack	CNHRPC	4,850	Town	Selectmen	village district
Barrington	Strafford	SRPC	9,474	Town	Selectmen/Town Meeting	
Belmont	Belknap	LRPC	7,436	Town	Selectmen	village district
Berlin	Coos	NCC	9,578	City	Manager & Council	downtown and historic district
Boscawen	Merrimack	CNHRPC	3,942	Town	Selectmen	Village District
Bradford	Merrimack	CNHRPC	1,695	Town	Selectmen	downtown
Bristol	Grafton	LRPC	3,269	Town	Selectmen	downtown and historic district
Brookline	Hillsborough	NRPC	5,852	Town	Selectmen	central business district
Canaan	Grafton	UVLSRPC	3,881	Town	Selectmen	village district
Charlestown	Sullivan	UVLSRPC	934	Town	Selectmen	Downtown, North Charlestown
Claremont	Sullivan	UVLSRPC	12,953	City	Manager & Council	downtown
Concord	Merrimack	CNHRPC	44,112	City	Manager & Council	downtown
Derry	Rockingham	SNHPC	34,628	Town	Town Admin./Council	downtown, central business district
Dover	Strafford	SRPC	33,234	City	City Council	central business district
Durham	Strafford	SRPC	14,695	Town	Administrator & Council	downtown
Enfield	Grafton	UVLSRPC	4,505	Town	Selectmen	town center
Epsom	Merrimack	CNHRPC	4,885	Town	Selectmen	town center
Exeter	Rockingham	RPC	16,263	Town	Selectmen	downtown
Farmington	Strafford	SRPC	6,839	Town	Selectmen	village center district
Francestown	Hillsborough	SNHPC	1,627	Town	Selectmen	village district
Franklin	Merrimack	LRPC	8,744	City	Manager & Council	downtown
Gilford	Belknap	LRPC	7,798	Town	Selectmen	
Goffstown	Hillsborough	SNHPC	18,656	Town	Selectmen	village district and Pinardville
Greenfield	Hillsborough	SWRPC	1,705	Town	Selectmen	town center/central business district
Greenland	Rockingham	RPC	4,127	Town	Selectmen	town center
Greenville	Hillsborough	SWRPC	2,002	Town	Selectmen	Downtown
Hampton	Rockingham	RPC	16,482	Town	Selectmen	central business district
Haverhill	Grafton	NCC	4,637	Town	Selectmen/Town Manager	village district
Henniker	Merrimack	CNHRPC	4,544	Town	Selectmen	Downtown
Hillsborough	Hillsborough	CNHRPC	5,960	Town	Selectmen	downtown
Hooksett	Merrimack	SNHPC	15,084	Town	Administrator & Council	village district
Hopkinton	Merrimack	CNHRPC	5,992	Town	Selectmen	town center
Jaffrey	Cheshire	SWRPC	5,396	Town	Selectmen/Town Manager	downtown
Keene	Cheshire	SWRPC	22,535	City	Mayor, Council, & Manager	downtown
Kingston	Rockingham	RPC	6,378	Town	Selectmen	Historic District
Laconia	Belknap	LRPC	17,103	City	Manager & Council	central business district
Lancaster	Coos	NCC	3,262	Town	Selectmen	central business district

Table 7. Communities That Have Adopted RSA 79-E as of September 2024

Municipality	County	RPC	2022 Population	Form of Government	Type of Government	79-E District Type *
Lebanon	Grafton	UVLSRPC	15,108	City	Manager & Council	downtown
Lisbon	Grafton	NCC	1,654	Town	Selectmen	downtown
Loudon	Merrimack	CNHRPC	5,688	Town	Selectmen	village district
Manchester	Hillsborough	SNHPC	116,163	City	Mayor & 14 Aldermen	
Marlow	Cheshire	SWRPC	753	Town	Selectmen	village district
Milford	Hillsborough	NRPC	16,590	Town	Selectmen	downtown
Milton	Strafford	SRPC	4,536	Town	Selectmen	town center
Moultonborough	Carroll	LRPC	4,988	Town	Selectmen	town center
Nashua	Hillsborough	NRPC	92,517	City	Mayor & Council	downtown
Newington	Rockingham	RPC	823	Town	Selectmen	
Newmarket	Rockingham	SRPC	9,459	Town	Council/Town Manager	downtown
Newport	Sullivan	UVLSRPC	6,319	Town	Selectmen	town center/historic district
Northumberland	Coos	NCC	2,120	Town	Selectmen	
Ossipee	Carroll	LRPC	4,495	Town	Selectmen	village
Peterborough	Hillsborough	SWRPC	6,519	Town	Selectmen	downtown, village commercial district
Pittsfield	Merrimack	CNHRPC	4,148	Town	Selectmen	downtown
Rochester	Strafford	SRPC	33,054	City	Council/Manager	downtown, central business district, historic district
Rye	Rockingham	RPC	5,626	Town	Selectmen	
Somersworth	Strafford	SRPC	12,037	City	City Manager & Council	downtown
Stratford	Coos	NCC	670	Town	Selectmen	village centers
Stratham	Rockingham	RPC	7,836	Town	Selectmen	Town Center and historically significant building in all areas of Town
Sunapee	Sullivan	UVLSRPC	3,382	Town	Selectmen/Town Manager	
Tilton	Carroll	LRPC	4,016	Town	Selectmen/Town Meeting	downtown
Troy	Belknap	SWRPC	2,148	Town	Selectmen	town center
Warner	Cheshire	CNHRPC	2,975	Town	Selectmen	town center
Waterville Valley	Merrimack	NCC	517	Town	Selectmen	town center
Wilton	Grafton	NRPC	3,933	Town	Selectmen	downtown
Winchester	Hillsborough	SWRPC	4,195	Town	Selectmen	downtown/central business district
Wolfeboro	Cheshire	LRPC	6,459	Town	Selectmen/Town Manager	town center

*Self-reported by municipality

Source: NH Department of Business and Economic Affairs, Municipal Land Use Regulation Annual Survey, updated September 2023, www.nheconomy.com/office-of-planning-and-development/what-we-do/municipal-and-regional-planning-assistance/municipal-land-use-regulation-annual-survey.

Appendix D. Examples Of RSA 79-E Applications



Town of Exeter, New Hampshire

Community Revitalization Tax Relief Incentive

Instructions to the Applicant:

The following documents contain everything you need to complete your application for tax relief to revitalize your building. Please read everything carefully. The application materials are based upon the requirements set forth by NH RSA 79-E. You will need to fill out the application, take part in a public hearing with the Board of Selectmen, and execute a covenant with the Town. If you have any questions with the application, the process, or what to expect, please call Darren Winham, Economic Development Director, at 603-773-6122 or email dwinham@exeternh.gov.

The Town of Exeter appreciates your interest in the Community Revitalization Tax Relief Incentive, and wishes you the best of luck with your application and restoration project.



Town of Exeter

Community Revitalization Tax Relief Incentive (RSA 79-E)

Application Form

Office Use Only

(do not write in shaded area)

Date Application Submitted: _____

Received by: _____

Building Information

Building Name (if any): _____

Building Address: _____

Eligible Zoning District _____ Tax Map _____ Lot _____

Contact throughout this application process will be made through the applicant listed below.

The property owner may designate an agent as the coordinator for the project. This person (the applicant) shall attend public hearings, will receive comments, recommendation, staff reports, and will communicate all case information to the other parties as required.

The Property Owner may act as the Applicant. If so, list under Applicant's Name, "Owner", and complete owner's information as requested.

Applicant's Name _____

Owner's Name _____

Address: _____

Address: _____

City/Town: _____ State: _____ Zip: _____

City/Town: _____ State: _____ Zip: _____

Phone _____ Fax: _____

Phone _____ Fax: _____

E-mail: _____

E-mail: _____

Existing Building Information:

Existing Uses (describe current use, size, and number of employees):

Gross Square Footage of Building: _____ Year Building was Built: _____

Is the building listed on or eligible for listing on the National Register of Historic Places? ___ Yes ___ No

Is the building listed on or eligible for listing on the state register of historic places? ___ Yes ___ No

Is the building located within and import to locally designated historic district? ___ Yes ___ No

Project Description

Proposed Uses (describe use, size, and number of employees): _____

Is this a change of use associated with this Project? Yes No

Will the project include new residential units? Yes No

If yes, please describe: _____

Will the project include affordable residential units? Yes No

If yes, please describe: _____

Has an abatement application been filed or has abatement been awarded on this property within the past year?

Yes No

Will any state or federal grants be used with this project? Yes No

If yes, describe and detail any terms of repayment: _____

Replacement of Qualifying Structure

Does the project involve the replacement of a qualifying structure? Yes No

If yes, the owner shall submit with this application the following:

1. A New Hampshire division of historical resources individual resource inventory form, prepared by a qualified architectural historian.
2. A letter from the Exeter Historic District Commission that identifies any and all historical, cultural, and architectural value of the structure or structures that are property on which those structures are located.

Note: The application for tax relief shall not be deemed to be complete and the governing body shall not schedule the public hearing on the application for replacement of a qualifying structures as required under RSA 79-E:4, II until the inventory form and letter, as well as all other required information, have been submitted, if required.

Public Benefit (RSA 79:E -7)

In order to qualify for tax relief under this program, the proposed substantial rehabilitation must provide at least one of the public benefits listed below. Any proposed replacement must provide one or more of the public benefits listed below to a greater degree than would a substantial rehabilitation of the same qualifying structure.

Does the project provide the following public benefits?

(Check all that apply)

Enhances the economic vitality of the designated area. Yes No

If yes, please describe: _____

Enhances and improves a culturally or historically important structure Yes No

If yes, please describe: _____

Promotes development of the designated area, providing for efficiency, safety, and a greater sense of community, consistent with RSA 9-B? Yes No

If yes, please describe: _____

It Increase residential housing in urban or town centers? Yes No

If yes, Please describe: _____

Other Issues and matters applicant deems relevant to this request? Yes No

If yes, please describe: _____

Substantial Rehabilitation

Describe the work to be done and estimated costs.

1. Attach additional sheets if necessary and any written construction estimates.
2. Attach any project narratives, plot plans, building plans, sketches, rendering, or photographs that will help explain this application.

Structural: _____

Estimated Cost:
\$ _____

Electrical: _____

Estimated Cost:
\$ _____

Plumbing/Heating: _____

Estimated Cost:
\$ _____

Mechanical: _____

Estimated Cost:
\$ _____

Other: _____

Estimated Cost:
\$ _____

Total Estimated Project Cost: \$ _____

Expected Project Start Date: _____ **Expected Project Completion Date:** _____

Applicant/Owner Signature

To qualify for this tax relief incentive, the cost the project must be at least 15% of the pre-rehabilitation assessed value or \$75,000, whichever is less.

I/we certify the estimated costs are reasonable and the costs of the project meet the above requirement.

Initial here: _____

I/We understand that failure to meet his threshold or the listing unreasonable construction costs will result in the denial of the application and forfeiture of the application fee.

Initial here: _____

I/We have read and understand the Community Revitalization Tax Relief Incentive, RSA 79-E, and am/are aware that this will be a public process including public hearing to be held to discuss the merits of this application and the subsequent need to enter into a covenant with the Town and pay all reasonable expenses associated with the drafting/recording of the covenant.

Initial here: _____

The undersigned hereby certifies the foregoing information is true and correct;

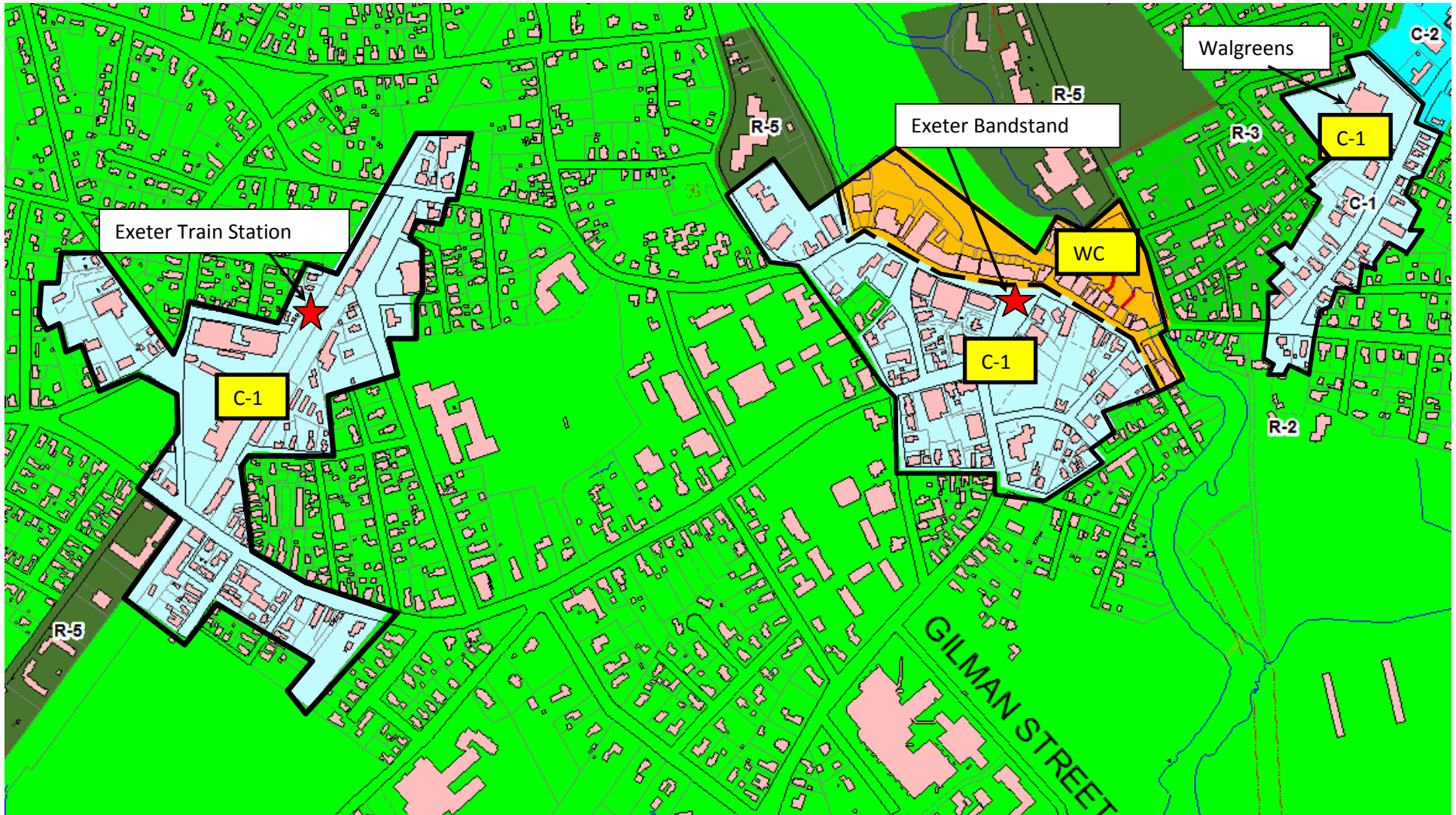
Signature (printed name) Date

Signature (printed name) Date

Signature (printed name) Date

Signature (printed name) Date

Signature (printed name) Date



RSA 79E Reference Map of District Areas:

C-1 Lincoln Street, C-1 Central/downtown, WC- Waterfront Commercial, and C-1 Portsmouth Ave

RSA 79E

Community Revitalization Tax Relief Incentive FAQs

79-E is a temporary tax relief program to encourage the rehabilitation & use of under-utilized buildings in downtown areas

Substantial Rehabilitation

- Costs for rehab of a qualifying structure must be \geq \$75,000

OR

Replacement of Existing Building

- Removal of a qualifying structure & new construction on the same lot where the costs are \geq \$75,000
 - ✓ The existing structure must not have significant historical, cultural or architectural value
 - ✓ The public benefit of replacement must exceed that of rehab.



What structures qualify?

- Existing buildings in the Keene Community Revitalization Tax Relief Incentive (NH RSA 79-E) District (see map on back)

What Projects are Eligible?

Demonstration of Public Benefit*

- Enhances downtown economic vitality
- Improves a culturally or historically important structure
- Promotes the preservation & reuse of the existing building stock
- Promotes efficient design, safety & greater sense of community consistent w/ the Comprehensive Master Plan
- Creates at least 1 new, full time job
- Directly integrates public art
- Achieves a nationally recognized green building standard
- Maintains or returns a residential building to owner occupancy
- Increases energy sustainability through reduced carbon emissions and/or an improved Home Energy Score

*Must demonstrate at least 1 of the above benefits

What is the process for seeking relief?

- 1) Owner submits an application to City
- 2) City staff review the application for completeness
- 3) Once complete, the City Council holds a public hearing on the application w/in 60 days of completeness
- 4) City Council votes whether or not to grant the relief & determine its duration w/in 45 days of the public hearing
- 5) If approved, the Owner records a covenant to ensure the public benefit is preserved

How long is the tax relief period?

- Up to 5 years for rehab or replacement as determined by City Council
- Tax relief is at a pre-rehabilitation assessed value and begins after work is completed
- Projects that provide 3+ public benefits may be considered for a longer relief period

For more information:

Contact: Community Development Department
4th Floor City Hall, 3 Washington St. Keene, NH
p: (603) 352-5440
<https://ci.keene.nh.us/community-development>






City of Keene
New Hampshire

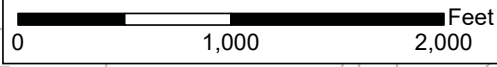
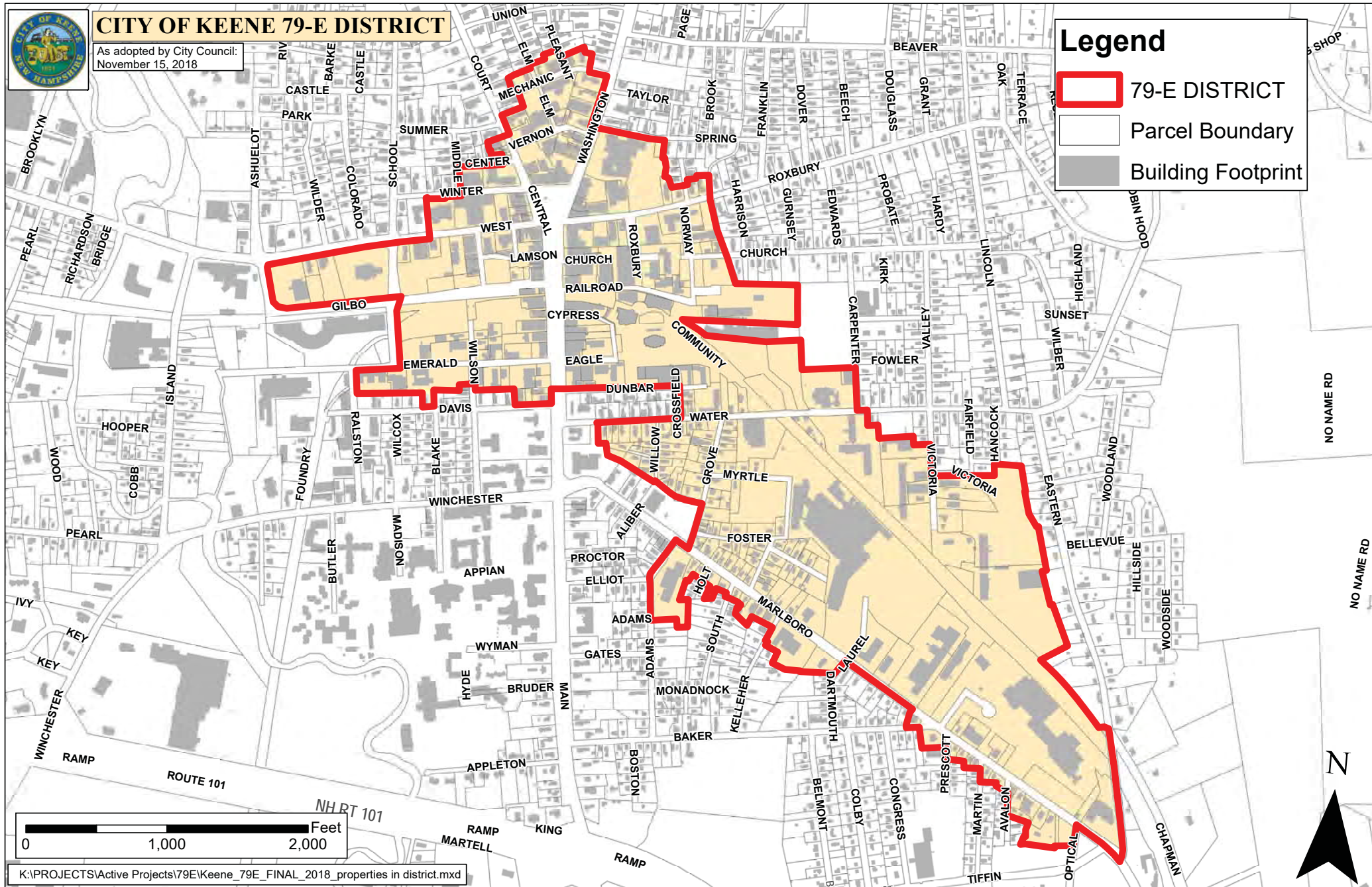


CITY OF KEENE 79-E DISTRICT

As adopted by City Council:
November 15, 2018

Legend

-  79-E DISTRICT
-  Parcel Boundary
-  Building Footprint



K:\PROJECTS\Active Projects\79E\Keene_79E_FINAL_2018_properties in district.mxd

Community Revitalization Tax Relief Incentive (RSA 79-E)

KEENE
NEW HAMPSHIRE



APPLICATION FORM

Contact throughout the application process will be made with the Applicant listed below. The property owner or a designated agent may act as the Applicant.

Property Owner:	Applicant (if different from owner):
Print Name: _____	Print Name: _____
Address: _____	Address: _____
City: _____ State: _____ Zip: _____	City: _____ State: _____ Zip: _____
Phone: _____ Email: _____	Phone: _____ Email: _____

Building Information:

Building Name (If Any): _____

Building Address: _____

Tax Map Lot #: _____ Zoning District: _____

Cheshire County Registry of Deeds Book #: _____ Page#: _____

Gross Square Footage of Building: _____ Year Built: _____

Is the building eligible for listing or listed individually on the National or State Register of Historic Places or located within a locally designated, State or National Historic District? No: _____ Yes*: _____

**If yes, provide a copy of the approved designation by the National or State Register of the building or the district*

Does the property currently have any credit or exemption from real estate tax assessment? No: _____ Yes*: _____ *If yes, please describe:

Continue →

Return this completed application to:
COMMUNITY DEVELOPMENT DEPARTMENT
3 Washington St, 4th Floor
Keene, NH 03431
Phone: (603) 352-5440

OFFICE USE ONLY

Date Submitted: _____

Received by: _____

Date Complete: _____

Project Information:

Describe Existing Uses (include detail on the current uses of the building/site, number of units by type and size, number of employees, etc.):

Describe Proposed Uses (include detail on proposed use of the building/site, number of units by type and size, number of employees, etc.):

Is a change of use associated with this project? No: _____ Yes*: _____
*If yes, please describe:

Will any state or federal grants or funds be used to finance the rehabilitation or construction? No: _____ Yes*: _____

*If yes, what is the amount of the aid?

Note: Rehabilitation or construction subsidized by state or federal grants or funds that do not need to be repaid totaling more than 50% of construction costs from state or federal programs are not eligible for 79-E tax relief.

Does the project involve the replacement of an existing structure? No: _____ Yes*: _____

*If yes, following materials shall be submitted with this application:

- A New Hampshire Division of Historical Resources individual resource inventory form, prepared by a qualified architectural historian.
- A letter from the Keene Heritage Commission that identifies any and all historical, cultural and architectural value of the structure(s) that are proposed to be replaced and the property on which those structures are located.

Note: This application shall not be deemed complete and the governing body shall not schedule the public hearing on the application for replacement of a qualifying structure as required under RSA 79-E:4,II until the inventory form and letter from the Heritage Commission, as well as all other required information, have been submitted, if required.

Describe the work to be done and estimated cost (Attach additional sheets if necessary)

1. Attach a copy of a contract, contractor estimates, or itemized list of materials
2. Attach a project narrative, building plans or sketches, renderings or photographs to help explain the proposed rehabilitation or construction.

Structural:	\$
Exterior Alterations (storefront, walls, windows, doors, etc.):	\$
Interior Alterations (walls, ceilings, moldings, doors, etc.):	\$
Electrical:	\$
Plumbing/Heating:	\$
Mechanical:	\$
Energy Efficiency:	\$
Other:	\$
TOTAL ESTIMATED PROJECT COST: <i>Note: To be considered for this tax relief incentive, the project costs must be \$75,000 or greater.</i>	\$

Expected Project Start Date:

Expected project completion date:

Public Benefit (Attach additional sheets if necessary)

In order to qualify for tax relief under this program, the proposed work must provide at least one of the public benefits listed below. Greater consideration will be given to projects that provide three or more public benefits. Any proposed replacement must provide one or more of the public benefits listed below to a greater degree than would a substantial rehabilitation of the same structure.

Enhances the economic vitality of downtown areas. No: ____ Yes*: ____ *If yes, please describe:
Enhances & improves a structure that is culturally or historically important on a local, regional, state, or national level, either independently or within the context of an historic district, town center, or village center in which the building is located. No: ____ Yes*: ____ *If yes, please describe:
Promotes the preservation and reuse of existing building stock by the rehabilitation of historic structures, in accordance with energy efficiency guidelines established by the U.S. Secretary of the Interior's Standards for Rehabilitation. No: ____ Yes*: ____ *If yes, please describe:
Promotes efficient design, safety, and a greater sense of community in a manner consistent with the Keene Comprehensive Master Plan. No: ____ Yes*: ____ *If yes, please describe:
Will add to the City's employment base by creating at least one new, full-time job in Keene's downtown area. No: ____ Yes*: ____ *If yes, please describe:
Directly supports the integration of public art in the downtown. No: ____ Yes*: ____ *If yes, please describe:
Promotes development of a sustainable building stock in the downtown that achieves a nationally or internationally recognized green building standard (e.g. LEED, Green Globes, National Green Building Standard, and International Green Construction Code). No: ____ Yes*: ____ *If yes, please describe:
Maintains owner occupancy of a residential building or it returns a residential building to owner occupancy. No: ____ Yes*: ____ *If yes, please describe:
Results in an increase in energy sustainability in conformance with the City adopted greenhouse gas initiatives as determined by a home energy score of at least six (6), and demonstrated carbon emission reduction of at least 10%. No: ____ Yes* : ____ *If yes, please describe:

Affidavit

I (we) hereby submit this application under the Community Revitalization Tax Relief Incentive Statue (NH RSA 79-E) and attest that to the best of my (our) knowledge all of the information herein and in the accompanying materials is true and accurate.

I (we) have reviewed the statute and Resolution R-2017-41 (see attached) and understand that:

- a) This application will be reviewed for completeness;
- b) There will be a public hearing to evaluate the merits of this application;
- c) If this application is approved by City Council, I (we) will need to enter into a covenant with the City; and
- d) I (we) may be required to pay reasonable expenses associated with the creation of the covenant.

I (we) understand this application will not be determined as complete and recommended to the City Council until all of the necessary information is provided.

IMPORTANT:

Per RSA 79-E:13, the base or “original” assessed value for any tax relief period is set only after the following two conditions are met:

- 1. Approval by City Council; and
- 2. The Applicant has entered into a covenant with the City of Keene to protect the public benefit.

Tax relief granted will pertain only to assessment increases attributable to the substantial rehabilitation or replacement performed under the conditions approved by the City Council and not to those increases attributable to other factors including but not limited to market forces.

APPLICANT (signed) (name printed) (date)

OWNER (signed) (name printed) (date)

NOTE: Owner must sign this Affidavit, if Owner is not the Applicant

RSA 79-E COMMUNITY REVITALIZATION TAX RELIEF INCENTIVE APPLICATION

MANCHESTER ECONOMIC DEVELOPMENT OFFICE



OVERVIEW

Through the 79-E program, a governing body may grant temporary property tax relief for a defined period. The tax relief period is intended to incentivize development projects that substantially rehabilitate a qualifying structure or replace structures that do not possess significant historical, cultural, or architectural value, provided said projects create certain public benefits.

Please complete this application, sign it, and return it to the Manchester Economic Development Office (MEDO) with the application fee and all related documents as required herein. If you have questions about this application, please call 603-624-6505 for more information.

APPLICANT INFORMATION

Name	:	<input type="text"/>			
Company Name	:	<input type="text"/>	Phone Number	:	<input type="text"/>
Mailing Address:	<input type="text"/>				
Suite/Apt #	:	<input type="text"/>	City/Town	:	<input type="text"/>
State	:	<input type="text"/>	Zip Code	:	<input type="text"/>
E-Mail	:	<input type="text"/>			

PROPERTY OWNER INFORMATION

Name	:	<input type="text"/>			
Company Name	:	<input type="text"/>	Phone Number	:	<input type="text"/>
Mailing Address:	<input type="text"/>				
Suite/Apt #	:	<input type="text"/>	City/Town	:	<input type="text"/>
State	:	<input type="text"/>	Zip Code	:	<input type="text"/>
E-Mail	:	<input type="text"/>			

PROPERTY INFORMATION

1. Address :

2. Building Name : 3. Tax Map # :

4. Current Assessed Value

Land : Building :

5. Deed (Hillsborough County Registry of Deeds)

Land : Building :

6. Year Built :

7. Gross Building Square Footage :

8. Is the Property eligible for, or has it been listed on, the State or National Register of Historic Places, either individually or as part of an existing or potential State or National Register District?

No Yes If yes, please attach the Historic Inventory Form for the property to this application.

9. Provide historic district name if applicable :

10. Is the Property located in a qualifying RSA 79-E District?

Central Business Service District (CBSD) or Redevelopment District (RDV) Please Exhibit 1.

No Yes

11. Existing Uses (describe number of units by type and size)

	Existing Square Footage	Proposed Square Footage
Residential	<input type="text"/>	<input type="text"/>
Commercial/Office	<input type="text"/>	<input type="text"/>
Industrial/Warehouse	<input type="text"/>	<input type="text"/>
Restaurant	<input type="text"/>	<input type="text"/>
Retail	<input type="text"/>	<input type="text"/>
Other	<input type="text"/>	<input type="text"/>

12. Is there a change of use associated with this project?

No Yes

If so, please describe.

PROJECT DESCRIPTION

1. Describe the work to be done:

Please attach additional pages if needed:

2. What is the scheduled start date? :

3. What is the scheduled completion date? :

4. Will the project include new residential units?

No

Yes

If yes, please describe how many new units will be created and what types of units are proposed (condo, apartment, other)?

5. Will the project include new affordable residential units?

No

Yes

If yes, please describe affordable housing restrictions to be placed on the property:

6. Does your project involve the demolition and replacement of an existing building?

No

Yes

If your building is 50 years of age or older, please attach a completed New Hampshire Division of Historic Resources Individual-Resource Inventory Form prepared by a qualified architectural historian for the subject property. In accordance with RSA 79-E:4, I-a, your application will also be reviewed by the City's Heritage Commission.

*The governing body may not hold a public hearing on your application until 1) said Historic Inventory Form is provided, and 2) the Heritage Commission's review is complete.

**Projects involving demolishing structures with significant historical, cultural, or architectural value are not eligible for RSA 79-E incentives.

7. For projects involving the rehabilitation of historic buildings, do you plan to complete the renovation in accordance with the U.S. Secretary of the Interior's Standards for Rehabilitation?

No Yes

If yes, please attach a narrative describing how your project shall comply with these standards. Please confirm that you have engaged a qualified architectural historian or preservation consultant for this project. Also, please be advised that improvements must be reviewed and approved by the NH Division of Historical Resources, at the applicant's expense, prior to the project's start and at the time of project completion. Please confirm that rehabilitation shall include energy efficiency improvements valued at 10% of the pre-rehabilitation assessed value of the property or \$5,000, whichever is less, per RSA 79-E:2,IV.

8. Have you applied for / secured any development permits for this project:

No Yes

If yes, please describe:

Please attach any Planning Board approvals, building permits, plot plans, building plans, sketches, renderings or photographs that would help explain this application.

PUBLIC BENEFIT

1. Please identify which of the following public benefits you believe your project achieves in accordance with RSA 79-E:7:

- The project enhances the economic vitality of Downtown Manchester;
- The project enhances and improves a structure that is culturally or historically important on a local, regional, state, or national level, either independently or within the context of a historic district, the district in which the building is located;
- The project promotes the preservation and reuse of existing building stock in Manchester by the rehabilitation of historic structures, thereby conserving the embodied energy in accordance with energy efficiency guidelines established by the U.S. Secretary of the Interior's Standards for Rehabilitation;
- The project promotes the development of municipal centers, providing efficiency, safety, and a greater sense of community, consistent with RSA 9-B (NH Smart Growth Policy); or
- The project increases residential housing in the Central Business Service District (CBSD) or the Redevelopment District (RDV).

2. Please attach a narrative describing, in detail, how the project addresses the public benefit(s) identified above. Any proposed replacement must provide one or more of the public benefits listed above to a greater degree than would a substantial rehabilitation of the same qualifying structure.

PROJECT BUDGET AND FINANCING

1. How many years of tax relief are requested?

2. Will any state or federal grants or funds be used in this project?

No Yes

If yes, describe and detail any terms of repayment, program(s) used, the total amount of credits, and the cash value of credits when monetized.

3. Pro Forma: Please complete the attached forms in Exhibit 2 of this application. Electronic copies of the pro forma template are available upon request. The forms in Exhibit 2 contemplate a residential or mixed-use rental project held by a developer for the duration of the RSA 79-E period.

To assist the Board with the application review, applicants must provide detailed information about their financing package for the project, including a statement of sources and uses (i.e., Project Budget) and a financial pro forma (Exhibit 2).

Failure to submit the required information will deem an application incomplete. Under RSA 79-E:4, II, the City has up to 60 days to hold a public hearing upon receipt of a complete application. A complete application includes all fees, forms, exhibits, and supporting information required here. The Board has up to 45 days to act upon the application after the public hearing.

APPLICATION CHECKLIST

1. Please check the boxes below confirming the following documents have been attached to this application:

- Completed and signed application (Paper and electronic copies are required. Electronic documents shall be submitted on a thumb drive);
- Application fee (\$200). Check made payable to the City of Manchester;
- Property card (obtained from the City of Manchester Assessors Office);
- Copy of property Deed;
- Development plans (if available);
- Public Benefit narrative;
- Project Pro Forma (Exhibit 3) (Paper and electronic copy are required);
- Copies of all permits and approvals received;
- Historic Inventory Form (if eligible for State / National Register, or located in a State / National Register District) (if applicable);
- Estimates / Bids for Construction (if available)

ACKNOWLEDGMENTS

1. I have read and understand RSA 79-E, which is attached to this application in Exhibit 3.
2. I certify under penalty of perjury that the information provided herein, and attached to this application, is accurate.
3. I hereby acknowledge that the application process is a public process that will include public hearings held by the Board of Mayor and Alderman to discuss and secure public input regarding the merits of this application, including financial need and potential public benefits associated with this project.
4. I hereby acknowledge that in accordance with RSA 79-E: 4, II, the City has up to 60 days to hold a public hearing upon receipt of a complete application. A complete application includes all fees, forms, exhibits, and supporting information as required herein. I further acknowledge that the City has up to 45 days to act on this application after the completion of the aforementioned public hearing (RSA 79-E: 4, III).
5. I hereby understand that in accordance with RSA 79-E:1 3, II, tax relief granted under the RSA 79- E Program shall only apply to improvements to the property which commence after the Board approves this application and after the applicant grants a Covenant to the City on the subject property to protect the public benefit as set forth in RSA 79-E:8. Therefore, I hereby agree that I shall not make any improvements to the property, including demolition of any portion of the subject structure until the City has acted upon this application and I have granted the protective covenant for the property. I further acknowledge that the commencement of improvements prior to the Board's action on this application and granting of the protective covenant may result in the denial of this application.
6. If RSA 79-E Community Revitalization Tax Relief Incentives are granted, I shall be solely responsible for preparing the covenant to protect the public benefit set forth in RSA 79-E:8 at my sole expense, and that said covenant shall be acceptable to the City in its sole discretion.
7. I also hereby acknowledge that the City has no obligation to approve this application and may withhold approval for any reason. In the event this application is denied, I understand that City's decision may be appealed either to the Board of Tax and Land Appeals or the Hillsborough County Superior Court, as set forth in RSA 79-E:4, VII; however, such denial shall be deemed discretionary and shall not be set aside by the Board of Tax and Land Appeals or the Superior Court except for bad faith or discrimination.
8. I hereby grant permission to City staff and their designees to enter this property for the purpose of inspecting the property in conjunction with the City's review process for this application. Said permission shall extend from the date the application is submitted until construction at the property is completed or the application is denied by the City or withdrawn by the applicant or the owner.
9. I hereby agree that if the financing plan for this project utilizes third-party financing, and said financing is contingent upon approval of this RSA 79-E application, I shall not close on said financing until the City takes action upon this application or the applicant or the owner withdraws the application.
10. I hereby agree that the burden of proof is on all elements of the proposal, and the proposal must be supported by proof that it conforms to all applicable standards and criteria by providing written findings or statements of factual information which are intended to demonstrate the proposal complies with any or all applicable standards and criteria.

SIGNATURES

APPROVAL BY A MAJORITY OF THE MAYOR AND ALDERMEN REQUIRED

I have read and understand the Community Revitalization Tax Relief Incentive RSA Ordinance (see following pages) and am aware that this will be a public process including a public hearing to be held to discuss the merits of this application and the subsequent need to enter into a covenant with the City and pay any reasonable expenses associated with the drafting of the covenant.

Printed Name Of Property Owner

Date

Signature Of Property Owner

Printed Name Of Applicant

Date

Signature Of Applicant

APPLICATION EXHIBITS

Exhibit 1: Qualifying districts: Central Business Service District (CBSD) and Redevelopment District (RDV)

Exhibit 2: Pro Forma

Exhibit 3: RSA 79-E Statute

Exhibit 4: New Hampshire Division of Historic Resources Individual-Resource Inventory Form

FOR MORE INFORMATION CONTACT THE MANCHESTER ECONOMIC DEVELOPMENT OFFICE (MEDO)

One City Hall Plaza, Manchester, NH 03101
Director: Jodie Nazaka, AICP
Email: jnazaka@manchesternh.gov
Phone: (603)624-6505
Web: manchesternh.gov/Economy



Exhibit 1:

Qualifying districts:

**Central Business Service District (CBSD) and
Redevelopment District (RDV)**

CITY OF MANCHESTER NH RSA 79-E COMMUNITY REVITALIZATION TAX RELIEF INCENTIVE

0 250 500 1,000 1,500 2,000 Feet

Redevelopment District
(RDV)

Central Business Services
District (CBSD)



*This map was prepared by the Planning and Community Development Office
(K. Bixby) on February 10, 2023.
* Document Path: S:\GIS\DB GIS\GIS Projects\Intown-CBSD\CBSD_2018\79EMap_10112018.mxd

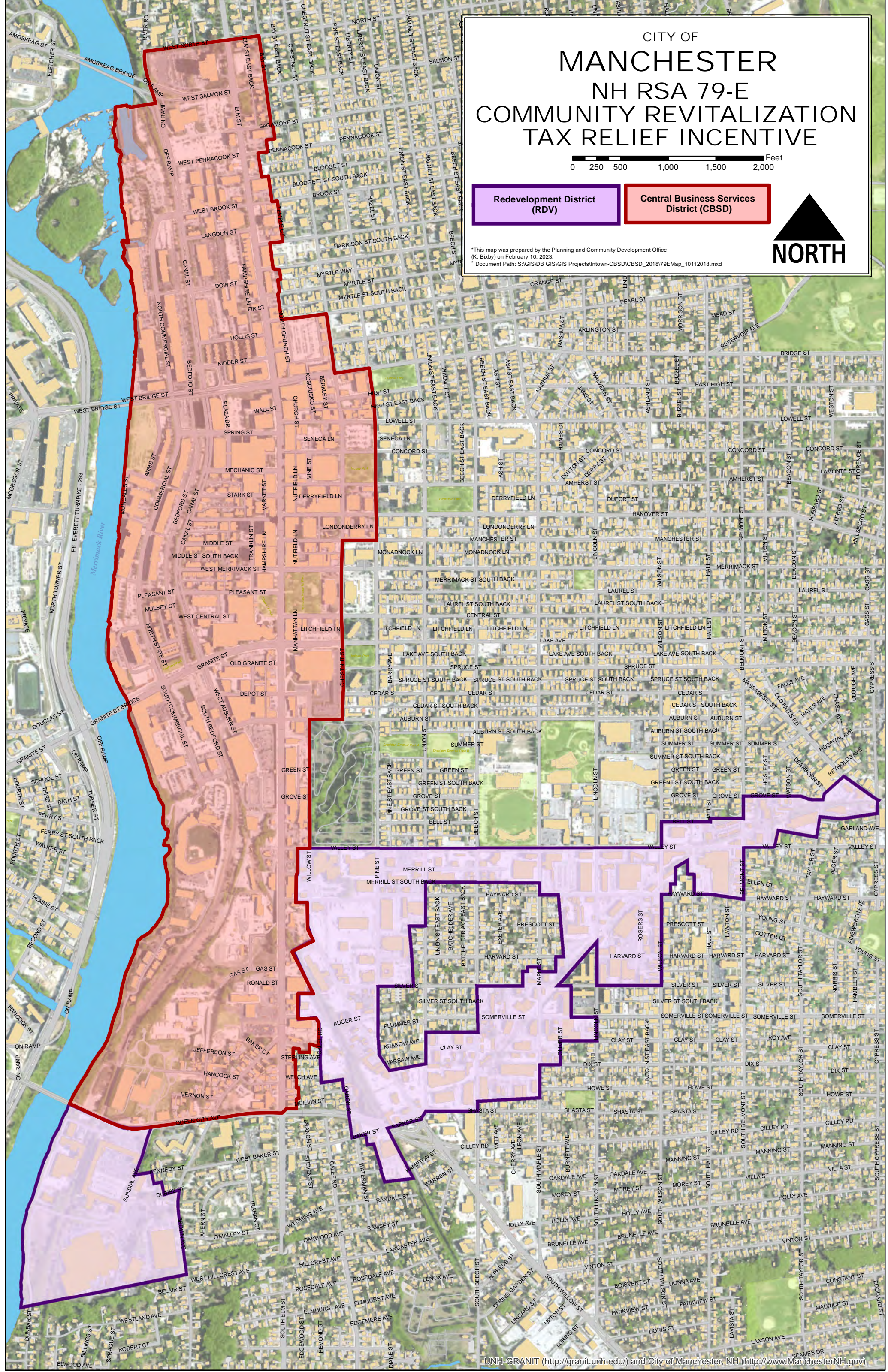


Exhibit 2:
Pro Forma

PRO FORMA WITHOUT RSA 79-E

Expected Project Start Date:

Expected Project Completion Date:

PROJECT BUDGET	Estimated Cost	NOTES
Soft cost		
Real Estate Acquisition	\$ -	
Boundary Survey	\$ -	
Development Permitting/Legal Fees	\$ -	
Environmental Assessments	\$ -	
Inspections	\$ -	
Real Estate Taxes	\$ -	
Boundary Survey	\$ -	
Property Insurance	\$ -	
Other	\$ -	
Total Soft Costs:	\$ -	
Hard costs		
Demolition	\$ -	
Environmental Abatement	\$ -	
Off-Site Improvements	\$ -	
Renovations	\$ -	
New Construction	\$ -	
Structural	\$ -	
Electrical	\$ -	
Plumbing/Heating	\$ -	
Mechanical	\$ -	
Contingency	\$ -	
Other	\$ -	
Total Hard Costs	\$ -	
Total Estimated Project Cost:	\$ -	

FINANCING SOURCES & USES (PROJECT BUDGET)	NOTES
Developer Equity	\$ -
Investor Equity	\$ -
Tax Credits (cash value)	\$ -
Grants	\$ -
Bank Loan(s)	\$ -
Other:	\$ -
Total - Sources:	\$ -

DEBT SERVICE COVERAGE RATIO (DSCR)

ESTIMATED INCOME	Year 1	Year 2	Year 3	Year 4	Year 5
Residential	\$ -	\$ -	\$ -	\$ -	\$ -
Retail	\$ -	\$ -	\$ -	\$ -	\$ -
Office	\$ -	\$ -	\$ -	\$ -	\$ -
Resturant	\$ -	\$ -	\$ -	\$ -	\$ -
Parking (if any)	\$ -	\$ -	\$ -	\$ -	\$ -
Storage	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	\$ -	\$ -
Total Gross Income	\$ -	\$ -	\$ -	\$ -	\$ -
Less Vacancy	\$ -	\$ -	\$ -	\$ -	\$ -
Net Revenues After Vacancy	\$ -	\$ -	\$ -	\$ -	\$ -

ESTIMATED EXPENSE	Year 1	Year 2	Year 3	Year 4	Year 5
Taxes - Property	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Other	\$ -	\$ -	\$ -	\$ -	\$ -
Trash Removal	\$ -	\$ -	\$ -	\$ -	\$ -
Utilities - Electricity	\$ -	\$ -	\$ -	\$ -	\$ -
Utilities - Natural Gas	\$ -	\$ -	\$ -	\$ -	\$ -
Utilities - Sewer and Water	\$ -	\$ -	\$ -	\$ -	\$ -
Utilities - Phone / Internet	\$ -	\$ -	\$ -	\$ -	\$ -
Parking	\$ -	\$ -	\$ -	\$ -	\$ -
Other (identify)	\$ -	\$ -	\$ -	\$ -	\$ -
Total Estimated Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -

NET OPERATING INCOME	Year 1	Year 2	Year 3	Year 4	Year 5
Net Revenue Less Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
DEBT SERVICE PAYMENTS					
Bank Loans	\$ -	\$ -	\$ -	\$ -	\$ -
Other Debt	\$ -	\$ -	\$ -	\$ -	\$ -
Total Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -
DEBT SERVICE COVERAGE RATIO (DSCR)					
Net Operating Income / Debt Service Payment	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

Exhibit 3:
RSA 79-E Statute

TITLE V TAXATION

Chapter 79-E COMMUNITY REVITALIZATION TAX RELIEF INCENTIVE

Section 79-E:1

79-E:1 Declaration of Public Benefit. –

- I. It is declared to be a public benefit to enhance downtowns and town centers with respect to economic activity, cultural and historic character, sense of community, and in-town residential uses that contribute to economic and social vitality.
- II. It is further declared to be a public benefit to encourage the rehabilitation of the many underutilized structures in urban and town centers as a means of encouraging growth of economic, residential, and municipal uses in a more compact pattern, in accordance with RSA 9-B.
- II-a. In instances where a qualifying structure is determined to possess no significant historical, cultural, or architectural value and for which the governing body makes a specific finding that rehabilitation would not achieve one or more of the public benefits established in RSA 79-E:7 to the same degree as the replacement of the underutilized structure with a new structure, the tax relief incentives provided under this chapter may be extended to the replacement of an underutilized structure in accordance with the provisions of this chapter.
- II-b. It is further declared to be a public benefit to encourage the rehabilitation of historic structures in a municipality by increasing energy efficiency in the preservation and reuse of existing building stock.
- III. Short-term property assessment tax relief and a related covenant to protect public benefit as provided under this chapter are considered to provide a demonstrated public benefit if they encourage substantial rehabilitation and use of qualifying structures, or in certain cases, the replacement of a qualifying structure, as defined in this chapter.

Source. 2006, 167:1. 2009, 200:3, 4, eff. July 15, 2009. 2013, 78:1, eff. April 1, 2013.

Section 79-E:2

79-E:2 Definitions. –

In this chapter:

- I. " Historic structure " means a building that is listed on or determined eligible for listing on the National Register of Historic Places or the state register of historic places.
- II. (a) " Qualifying structure " means a building located in a district officially designated in a municipality's master plan, or by zoning ordinance, as a downtown, town center, central business district, or village center, or, where no such designation has been made, in a geographic area which, as a result of its compact development patterns and uses, is identified by the governing body as the downtown, town center, or village center for purposes of this chapter.
- (b) Qualifying structure shall also mean:
- (1) Historic structures in a municipality whose preservation and reuse would conserve the embodied energy in existing building stock.
- (2) A one or 2-family home or an attached multi-family home with not more than 4 units located in a residential property revitalization zone designated under RSA 79-E:4-b and which is at least 40 years old.
- (c) Cities or towns may further limit "qualifying structure" according to the procedure in RSA 79-E:3 as meaning only a structure located within such districts that meet certain age, occupancy, condition, size, or other similar criteria consistent with local economic conditions, community character, and local planning and development goals.
- (d) Cities or towns may further modify "qualifying structure" to include buildings that have been destroyed by

fire or act of nature, including where such destruction occurred within 15 years prior to the adoption of the provisions of this chapter by the city or town.

(e) In a city or town that has adopted the provisions of RSA 79-E:4-a, "qualifying structure" also means potentially impacted structures identified by the municipality within the coastal resilience incentive zone established under RSA 79-E:4-a.

(f) In a city or town that has adopted the provisions of RSA 79-E:4-c, "qualifying structure" also means a housing unit or units constructed in a housing opportunity zone established under RSA 79-E:4-c.

III. "Replacement" means the demolition or removal of a qualifying structure and the construction of a new structure on the same lot.

IV. "Substantial rehabilitation" means rehabilitation of a qualifying structure which costs at least 15 percent of the pre-rehabilitation assessed valuation or at least \$75,000, whichever is less. In addition, in the case of historic structures, substantial rehabilitation means devoting a portion of the total cost, in the amount of at least 10 percent of the pre-rehabilitation assessed valuation or at least \$5,000, whichever is less, to energy efficiency in accordance with the U.S. Secretary of the Interior's Standards for Rehabilitation. Cities or towns may further limit "substantial rehabilitation" according to the procedure in RSA 79-E:3 as meaning rehabilitation which costs a percentage greater than 15 percent of pre-rehabilitation assessed valuation or an amount greater than \$75,000 based on local economic conditions, community character, and local planning and development goals.

V. "Tax increment finance district" means any district established in accordance with the provisions of RSA 162-K.

VI. "Tax relief" means:

(a) For a qualifying structure, that for a period of time determined by a local governing body in accordance with this chapter, the property tax on a qualifying structure shall not increase as a result of the substantial rehabilitation thereof.

(b) For the replacement of a qualifying structure, that for a period of time determined by a local governing body in accordance with this chapter, the property tax on a replacement structure shall not exceed the property tax on the replaced qualifying structure as a result of the replacement thereof.

(c) For a qualifying structure which is a building destroyed by fire or act of nature, that for a period of time determined by a local governing body in accordance with this chapter, the property tax on such qualifying structure shall not exceed the tax on the assessed value of the structure that would have existed had the structure not been destroyed.

VII. "Tax relief period" means the finite period of time during which the tax relief will be effective, as determined by a local governing body pursuant to RSA 79-E:5.

Source. 2006, 167:1. 2009, 200:5-7. 2010, 329:1, 2. 2011, 237:1, 2, eff. July 5, 2011. 2013, 78:2, eff. April 1, 2013. 2017, 203:2, eff. Sept. 3, 2017. 2021, 200:2, Pt. I, Sec. 2, eff. Oct. 9, 2021; 200:2, Pt. I, Sec. 4, eff. Apr. 1, 2022.

Section 79-E:3

79-E:3 Adoption of Community Revitalization Tax Relief Incentive Program –

I. Any city or town may adopt or modify the provisions of this chapter by voting whether to accept for consideration or modify requirements for requests for community revitalization tax relief incentives. Any city or town may do so by following the procedures in this section.

II. In a town, other than a town that has adopted a charter pursuant to RSA 49-D, the question shall be placed on the warrant of a special or annual town meeting, by the governing body or by petition under RSA 39:3.

III. In a city or town that has adopted a charter under RSA 49-C or RSA 49-D, the legislative body may consider and act upon the question in accordance with its normal procedures for passage of resolutions, ordinances, and other legislation. In the alternative, the legislative body of such municipality may vote to place the question on the official ballot for any regular municipal election.

IV. If a majority of those voting on the question vote "yes," applications for community revitalization tax relief incentives may be accepted and considered by the local governing body at any time thereafter, subject to the provisions of paragraph VI of this section.

V. If the question is not approved, the question may later be voted on according to the provisions of paragraph II or III of this section, whichever applies.

VI. The local governing body of any town or city that has adopted this program may consider rescinding its action in the manner described in paragraph II or III of this section, whichever applies. A vote terminating the acceptance and consideration of such applications shall have no effect on incentives previously granted by the city or town, nor shall it terminate consideration of applications submitted prior to the date of such vote.

Source. 2006, 167:1. 2010, 329:3, eff. July 20, 2010.

Section 79-E:4

79-E:4 Community Revitalization Tax Relief Incentive. –

I. An owner of a qualifying structure who intends to substantially rehabilitate or replace such structure may apply to the governing body of the municipality in which the property is located for tax relief. The applicant shall include the address of the property, a description of the intended rehabilitation or replacement, any changes in use of the property resulting from the rehabilitation or replacement, and an application fee.

I-a. In order to assist the governing body with the review and evaluation of an application for replacement of a qualifying structure, an owner shall submit to the governing body as part of the application, a New Hampshire division of historical resources individual resource inventory form, prepared by a qualified architectural historian and a letter issued by the local heritage commission and if the qualifying structure is located within a designated historic district established in accordance with RSA 674:46, a letter from the historic district commission or, if such local commissions are not established, a letter issued by the New Hampshire division of historical resources that identifies any and all historical, cultural, and architectural value of the structure or structures that are proposed to be replaced and the property on which those structures are located. The application for tax relief shall not be deemed to be complete and the governing body shall not schedule the public hearing on the application for replacement of a qualifying structure as required under RSA 79-E:4, II until the inventory form and the letter, as well as all other required information, have been submitted.

II. Upon receipt of an application, the governing body shall hold a duly noticed public hearing to take place no later than 60 days from receipt of the application, to determine whether the structure at issue is a qualifying structure; whether any proposed rehabilitation qualifies as substantial rehabilitation; and whether there is a public benefit to granting the requested tax relief and, if so, for what duration.

III. No later than 45 days after the public hearing, the governing body shall render a decision granting or denying the requested tax relief and, if so granting, establishing the tax relief period.

IV. (a) The governing body may grant the tax relief, provided:

(1) The governing body finds a public benefit under RSA 79-E:7; and

(2) The specific public benefit is preserved through a covenant under RSA 79-E:8; and

(3) The governing body finds that the proposed use is consistent with the municipality's master plan or development regulations; and

(4) In the case of a replacement, the governing body specifically finds that the local heritage commission or historic district commission or, if such local commissions are not established, the New Hampshire division of historical resources has determined that the replaced qualifying structure does not possess significant historical, cultural, or architectural value, the replacement of the qualifying structure will achieve one or more of the public benefits identified in RSA 79-E:7 to a greater degree than the renovation of the underutilized structure, and the historical, cultural, or architectural resources in the community will not be adversely affected by the replacement. In connection with these findings, the governing body may request that the division of historical resources conduct a technical evaluation in order to satisfy the governing body that historical resources will not be adversely affected.

(b) If the governing body grants the tax relief, the governing body shall identify the specific public benefit achieved under RSA 79-E:7, and shall determine the precise terms and duration of the covenant to preserve the public benefit under RSA 79-E:8.

V. If the governing body, in its discretion, denies the application for tax relief, such denial shall be accompanied by a written explanation. The governing body's decision may be appealed either to the board of tax and land appeals or the superior court in the same manner as provided for appeals of current use classification pursuant to RSA 79-A:9 or 79-A:11 provided, however, that such denial shall be deemed discretionary and shall not be set aside by the board of tax and land appeals or the superior court except for bad faith or discrimination.

VI. Municipalities shall have no obligation to grant an application for tax relief for properties located within tax

increment finance districts when the governing body determines, in its sole discretion, that the granting of tax relief will impede, reduce, or negatively affect:

- (a) The development program or financing plans for such tax increment finance districts; or
- (b) The ability to satisfy or expedite repayment of debt service obligations incurred for a tax increment financing district; or
- (c) The ability to satisfy program administration, operating, or maintenance expenses within a tax increment financing district.

Source. 2006, 167:1. 2009, 200:8-11, eff. July 15, 2009.

Section 79-E:4-a

79-E:4-a Coastal Resilience Incentive Zone. –

I. A city or town may adopt the provisions of this section by vote of its legislative body, according to the procedures described in RSA 79-E:3, to establish a coastal resilience incentive zone (CRIZ). Municipalities may use storm surge, sea-level rise, and extreme precipitation projections in the 2016 report of the New Hampshire Coastal Risk and Hazards Commission, "Preparing New Hampshire for Projected Storm Surge, Sea-Level Rise, and Extreme Precipitation," and its successor projections, to identify potentially impacted structures.

II. The municipality implementing a CRIZ shall determine the resilience measures it deems qualifying, such as, but not limited to, elevation and free-board renovations, elevation of mechanicals, construction of resilient natural features, enhancement or creation of tidal marshes, elevation of private driveways and sidewalks, construction or enlargement of private culverts and other structures to enable increased water flow and storm-surge, and movement of property to higher elevation on the property or to a newly acquired property at a higher elevation within the municipality. Municipalities may grant tax relief to the qualifying structure and property as described in RSA 79-E:4.

III. Municipalities may provide other relief to properties in a coastal resilience incentive zone that are subject to repeated inundation, by acquiring preservation or water control easements or establishing tax increment financing districts.

IV. Municipalities may create a nonlapsing CRIZ fund as a capital reserve fund under RSA 34 or RSA 35, or a town-created trust fund under RSA 31:19-a, to provide funding for projected municipal costs associated with projected storm surge, sea-level rise, and extreme precipitation, and such funds may be used to support the coastal resilience incentive zone purpose established in this section.

Source. 2017, 203:3, eff. Sept. 3, 2017.

Section 79-E:4-b

79-E:4-b Residential Property Revitalization Zones. –

I. A city or town may adopt the provisions of this section by vote of its legislative body, according to the procedures described in RSA 79-E:3, to establish tax relief for the owners of a one or 2-family home or an attached multi-family home with not more than 4 units and which is at least 40 years old, who significantly improves the quality, condition, and/or use of an existing residential structure in a designated residential property revitalization zone.

II. The governing body of a municipality shall designate the area of a residential property revitalization zone in which the tax relief for qualifying structures shall apply. Municipalities may further establish criteria for the public benefits, goals, and measures that will determine the eligibility of qualifying structures for tax relief located within a designated residential property revitalization zone.

III. Municipalities may grant tax relief to the qualifying structure and property as described in RSA 79-E:4 for the period of tax relief under RSA 79-E:5, provided that no property may be granted tax relief under this chapter more than once in a 20 year period.

Source. 2021, 200:2, Pt. I, Sec. 3, eff. Oct. 9, 2021.

Section 79-E:4-c

79-E:4-c Housing Opportunity Zone. – A city or town may adopt the provisions of this section by vote of its legislative body, in accordance with the procedures described in RSA 79-E:3, to establish a housing opportunity zone. To be eligible for tax relief under this section, the qualifying structure and property shall be located within the housing opportunity zone established by the municipality. No less than one-third of the housing units constructed shall be designated for households with an income of 80 percent or less of the area median income as measured by the United States Department of Housing and Urban Development, or the housing units in a qualifying structure shall be designated for households with incomes as provided in RSA 204-C:57, IV. A qualifying structure under this section shall be eligible for tax assessment relief for a period of up to 10 years, beginning upon issuance of the certification of occupancy.

Source. 2021, 200:2, Pt. I, Sec. 5, eff. Apr. 1, 2022.

Section 79-E:5

79-E:5 Duration of Tax Relief Period. –

I. The governing body may grant such tax assessment relief for a period of up to 5 years, beginning with the completion of the substantial rehabilitation.

I-a. For the approval of a replacement of a qualifying structure, the governing body may grant such tax assessment relief for a period of up to 5 years, beginning only upon the completion of construction of the replacement structure. The governing body may, in its discretion, extend such additional years of tax relief as provided for under this section, provided that no such additional years of tax relief may be provided prior to the completion of construction of the replacement structure. The municipal tax assessment of the replacement structure and the property on which it is located shall not increase or decrease in the period between the approval by the governing body of tax relief for the replacement structure and the time the owner completes construction of the replacement structure and grants to the municipality the covenant to protect the public benefit as required by this chapter. The governing body may not grant any tax assessment relief under this chapter with respect to property and structures for which an election has been made for property appraisal under RSA 75:1-a.

II. The governing body may, in its discretion, add up to an additional 2 years of tax relief for a project that results in new residential units and up to 4 years for a project that includes affordable housing.

III. The governing body may, in its discretion, add up to an additional 4 years of tax relief for the substantial rehabilitation of a qualifying structure that is listed on or determined eligible for listing on the National Register of Historic Places, state register of historic places, or is located within and important to a locally designated historic district, provided that the substantial rehabilitation is conducted in accordance with the U.S. Secretary of Interior's Standards for Rehabilitation.

IV. The governing body may adopt local guidelines to assist it in determining the appropriate duration of the tax assessment relief period.

Source. 2006, 167:1. 2009, 200:12. 2010, 329:4, eff. July 20, 2010.

Section 79-E:6

79-E:6 Resumption of Full Tax Liability. – Upon expiration of the tax relief period, the property shall be taxed at its market value in accordance with RSA 75:1.

Source. 2006, 167:1, eff. April 1, 2006.

Section 79-E:7

79-E:7 Public Benefit. –

In order to qualify for tax relief under this chapter, the proposed substantial rehabilitation must provide at least one of the public benefits, and the proposed replacement must provide one or more of the public benefits to a

greater degree than would a substantial rehabilitation of the same qualifying structure, as follows:

I. It enhances the economic vitality of the downtown;

II. It enhances and improves a structure that is culturally or historically important on a local, regional, state, or national level, either independently or within the context of an historic district, town center, or village center in which the building is located;

II-a. It promotes the preservation and reuse of existing building stock throughout a municipality by the rehabilitation of historic structures, thereby conserving the embodied energy in accordance with energy efficiency guidelines established by the U.S. Secretary of the Interior's Standards for Rehabilitation.

III. It promotes development of municipal centers, providing for efficiency, safety, and a greater sense of community, consistent with RSA 9-B; or

IV. It increases residential housing in urban or town centers.

Source. 2006, 167:1. 2009, 200:13, eff. July 15, 2009. 2013, 78:3, eff. April 1, 2013.

Section 79-E:7-a

79-E:7-a Public Benefit Determinations. – Cities or towns may adopt according to the procedure in RSA 79-E:3 provisions that further define the public benefits enumerated in RSA 79-E:7 to assist the governing body in evaluating applications made under this chapter based on local economic conditions, community character, and local planning and development goals.

Source. 2010, 329:5, eff. July 20, 2010.

Section 79-E:8

79-E:8 Covenant to Protect Public Benefit. –

I. Tax relief for the substantial rehabilitation or replacement of a qualifying structure shall be effective only after a property owner grants to the municipality a covenant ensuring that the structure shall be maintained and used in a manner that furthers the public benefits for which the tax relief was granted and as otherwise provided in this chapter.

II. The covenant shall be coextensive with the tax relief period. The covenant may, if required by the governing body, be effective for a period of time up to twice the duration of the tax relief period.

III. The covenant shall include provisions requiring the property owner to obtain casualty insurance, and flood insurance if appropriate. The covenant may include, at the governing body's sole discretion, a lien against proceeds from casualty and flood insurance claims for the purpose of ensuring proper restoration or demolition of damaged structures and property. If the property owner has not begun the process of restoration, rebuilding, or demolition of such structure within one year following damage or destruction, the property owner shall be subject to the termination of provisions set forth in RSA 79-E:9, I.

IV. The local governing body shall provide for the recording of the covenant to protect public benefit with the registry of deeds. It shall be a burden upon the property and shall bind all transferees and assignees of such property.

V. The applicant shall pay any reasonable expenses incurred by the municipality in the drafting, review, and/or execution of the covenant. The applicant also shall be responsible for the cost of recording the covenant.

Source. 2006, 167:1. 2009, 200:14, eff. July 15, 2009.

Section 79-E:9

79-E:9 Termination of Covenant; Reduction of Tax Relief; Penalty. –

I. If the owner fails to maintain or utilize the building according to the terms of the covenant, or fails to restore, rebuild, or demolish the structure following damage or destruction as provided in RSA 79-E:8, III, the governing body shall, after a duly noticed public hearing, determine whether and to what extent the public benefit of the rehabilitation or replacement has been diminished and shall determine whether to terminate or reduce the tax

relief period in accordance with such determination. If the covenant is terminated, the governing body shall assess all taxes to the owner as though no tax relief was granted, with interest in accordance with paragraph II. II. Any tax payment required under paragraph I shall be payable according to the following procedure:

- (a) The commissioner of the department of revenue administration shall prescribe and issue forms to the local assessing officials for the payment due, which shall provide a description of the property, the market value assessment according to RSA 75:1, and the amount payable.
- (b) The prescribed form shall be prepared in quadruplicate. The original, duplicate, and triplicate copy of the form shall be given to the collector of taxes for collection of the payment along with a special tax warrant authorizing the collector to collect the payment under the warrant. The quadruplicate copy of the form shall be retained by the local assessing officials for their records.
- (c) Upon receipt of the special tax warrant and prescribed forms, the tax collector shall mail the duplicate copy of the tax bill to the owner responsible for the tax as the notice of payment.
- (d) Payment shall be due not later than 30 days after the mailing of the bill. Interest at the rate of 18 percent per annum shall be due thereafter on any amount not paid within the 30-day period. Interest at 12 percent per annum shall be charged upon all taxes that would have been due and payable on or before December 1 of each tax year as if no tax relief had been granted.

Source. 2006, 167:1. 2009, 200:15, eff. July 15, 2009.

Section 79-E:10

79-E:10 Lien for Unpaid Taxes. – The real estate of every person shall be held for the taxes levied pursuant to RSA 79-E:9.

Source. 2006, 167:1, eff. April 1, 2006.

Section 79-E:11

79-E:11 Enforcement. – All taxes levied pursuant to RSA 79-E:9 which are not paid when due shall be collected in the same manner as provided in RSA 80.

Source. 2006, 167:1. 2007, 42:3, eff. July 20, 2007.

Section 79-E:12

79-E:12 Rulemaking. – The commissioner of the department of revenue administration may adopt rules, pursuant to RSA 541-A, relative to the payment and collection procedures under RSA 79-E:9.

Source. 2006, 167:1, eff. April 1, 2006. 2016, 85:2, eff. July 18, 2016.

Section 79-E:13

79-E:13 Extent of Tax Relief. –

- I. (a) Tax relief granted under this chapter shall pertain only to assessment increases attributable to the substantial rehabilitation performed under the conditions approved by the governing body and not to those increases attributable to other factors including but not limited to market forces; or
 - (b) Tax relief granted under this chapter shall be calculated on the value in excess of the original assessed value. Original assessed value shall mean the value of the qualifying structure assessed at the time the governing body approves the application for tax relief and the owner grants to the municipality the covenant to protect public benefit as required in this chapter, provided that for a qualifying structure which is a building destroyed by fire or act of nature, original assessed value shall mean the value as of the date of approval of the application for tax relief of the qualifying structure that would have existed had the structure not been destroyed.
- II. The tax relief granted under this chapter shall only apply to substantial rehabilitation or replacement that

commences after the governing body approves the application for tax relief and the owner grants to the municipality the covenant to protect the public benefit as required in this chapter, provided that in the case of a qualifying structure which is a building destroyed by fire or act of nature, and which occurred within 15 years prior to the adoption of the provisions of this chapter by the city or town, the tax relief may apply to such qualifying structure for which replacement has begun, but which has not been completed, on the date the application for relief under this chapter is approved.

Source. 2006, 167:1. 2010, 329:6. 2011, 237:3, eff. July 5, 2011.

Section 79-E:14

79-E:14 Other Programs. – The provisions of this chapter shall not apply to properties whose rehabilitation or construction is subsidized by state or federal grants or funds that do not need to be repaid totaling more than 50 percent of construction costs from state or federal programs.

Source. 2006, 167:1, eff. April 1, 2006.

Exhibit 4:

**New Hampshire Division of Historic Resources
Individual-Resource Inventory Form**

INDIVIDUAL INVENTORY FORM

NHDHR INVENTORY #

Name, Location, Ownership

Historic name _____

Street and number _____

City or town _____

County _____

Current owner _____

Function or Use

Current use(s) _____

Historic use(s) _____

Architectural Information

Style _____

Architect/builder _____

Source _____

Construction date _____

Source _____

Alterations, with dates _____

Moved? no yes date: _____

Exterior Features

Foundation _____

Cladding _____

Roof material _____

Chimney material _____

Type of roof _____

Chimney location _____

Number of stories _____

Entry location _____

Windows _____

Replacement? no yes date: _____

Site Features

Setting _____

Outbuildings _____

PLEASE A DIGITAL IMAGE IN THIS SPACE.
IT IS OKAY TO TURN IMAGE ON ITS SIDE SO
THAT IT CAN FIT IN THIS SPACE

Photo #1 Direction: _____

Date _____

Landscape features _____

Tax Map _____

Acreage _____

State Plane Feet (NAD83) _____

Form prepared by

Name _____

Organization _____

Date of Survey _____

INDIVIDUAL INVENTORY FORM

NHDHR INVENTORY #

LOCATION MAP:

The location map should show where the property is in relation to major roads within the town. You may replace this page with two full-sized (8.5"x11") maps if preferred.

PROPERTY MAP AND PHOTO KEY:

The property map should show the ENTIRE surveyed parcel, with lot line/boundary and all buildings and structures. The property map may also include the photo key. You may replace this page with two full-sized (8.5"x11") maps if preferred.

INDIVIDUAL INVENTORY FORM

NHDHR INVENTORY #

Historical Background and Role in the Town or City's Development:

Applicable NHDHR Historic Contexts (please list names from appendix C):

Architectural Description and Comparative Evaluation:

National or State Register Criteria Statement of Significance:

Period of Significance:

Statement of Integrity:

Boundary Description and Justification:

Bibliography and/or References:

Surveyor's Evaluation:

NR listed: individual _____
within district _____

Integrity: yes _____
no _____

NR eligible: individual _____
within district _____
not eligible _____
more info needed _____

NR Criteria: A _____
B _____
C _____
D _____
E _____

INDIVIDUAL INVENTORY FORM

NHDHR INVENTORY #

CONTINUATION PAGE

INDIVIDUAL INVENTORY FORM

NHDHR INVENTORY #

INSERT IMAGE HERE

Photo # Description (with direction):

INSERT IMAGE HERE

Photo # Description (with direction):



**MILFORD COMMUNITY REVITALIZATION
TAX RELIEF INCENTIVE PROGRAM (NH RSA 79-E)**

**GUIDE
&
Application**

Application For Community Revitalization Tax Relief Incentive Program

The following documents contain all the information you will need to complete the application for tax relief to revitalize your building. *PLEASE* take the time to read all of the information carefully. The application instructions and materials are based upon the requirements set forth by NH RSA 79-E. Elements that are required include completion of the application, public hearing with the Board of Selectmen, and execution of a covenant with the Town.

If you have any questions regarding the application, the processes or expectations, please contact:

Community Development Director
Office of Community Development
Town of Milford
1 Union Square
Milford, NH 03055
Phone 603.249.0620 Fax 603.673.2273
DirComDev@milford.nh.gov

Included in this Application Guide:

About the Milford 79-E Program	1
Instructions to Applicants	4
Application Process Overview	6
Attachments:	
1. Milford 79-E Application Form.....	7
2. Declaration of Covenant Template.....	14
3. N.H. RSA 79-E.....	18

Thank you for your interest in the Milford 79-E Program and good luck with your application and project.

About the 79-E Community Revitalization Tax Relief Incentive Program

On March 11, 2017, the Town of Milford adopted the provisions of RSA 79-E. The Community Revitalization Tax Relief Incentive (RSA 79-E) Program allowing the Town to provide a temporary period of limited tax relief for property owners who wish to undertake **substantial rehabilitation** of a **qualifying structure** which will provide at least one **public benefit**. Under the statute, use of the 79-E program is limited to designated or recognized downtowns, town centers, or village centers.

To qualify for the 79-E Program, your project must meet all three of the following criteria:

1. The proposed project must be a **Substantial Rehabilitation**.
 - A substantial rehabilitation is a project that costs at least 15% of the pre-rehabilitation assessed valuation or \$75,000, whichever is less. For historic structures, substantial rehabilitation means devoting at least 10% of the pre-rehabilitation assessed valuation or \$5,000, whichever is less, to energy efficiency improvements in accordance with the Secretary of the Interior's Standards for Rehabilitation guidelines for historic structures.
2. The building or structure must be a **Qualifying Structure**.
 - A qualifying structure is a building or structure located within the extended downtown Milford Oval areas designated by the Town as part of its adoption of the program. However, historic structures located anywhere in the Town are also considered qualifying structures for purposes of the program.
3. The project must provide at least one **Public Benefit** listed in the statute, including:
 - Enhancement of the economic vitality of the downtown; (RSA 79-E:7, I)
 - Enhancement or improvement of a culturally or historically important structure; (RSA 79-E:7, II)
 - Promotion of the preservation and reuse of existing building stock; (RSA 79-E:7, II-a)
 - Promotion of the development of municipal centers, providing for efficiency, safety, and a greater sense of community (RSA 79-E:7, III); or
 - Growth of residential housing in urban or town centers. (RSA 79-E:7, IV)

Instructions to Applicants

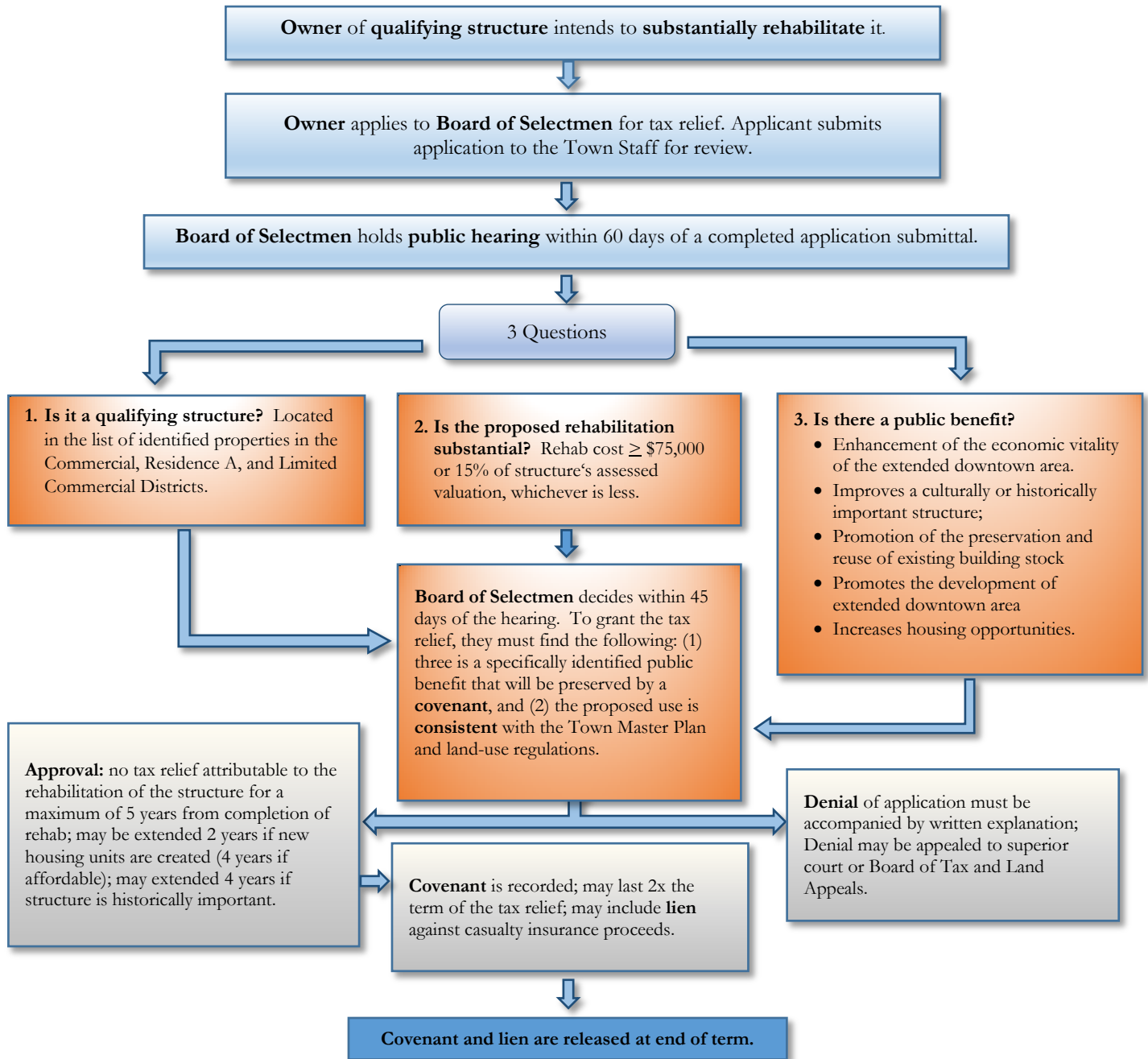
1. An owner of a qualifying structure who intends to substantially rehabilitate or replace such structure may apply to the Board of Selectmen through the Community Development Office. The applicant shall file a complete application form and submit the required non-refundable application fee of \$50.00.
2. Application Review Process:
 - a. 79-E Application Form is submitted to the Office of Community Development.
 - b. Staff reviews application to confirm completeness & substantial rehabilitation. Staff provides documentation on 79-E Interdepartmental Review sheet.
 - i. Community Development Director confirms submission of required documentation.
 - ii. Building Official confirms validity of construction costs.
 - iii. Assessor confirms construction costs meet substantial rehabilitation threshold (construction costs > 15% building assessed valuations or \$75,000, whichever is less).
 - iv. Zoning Administrator confirms appropriate Planning Board and/or ZBA approvals have been granted.

The applicant must satisfactorily answer any questions Town staff may have for the application to be deemed complete.
3. Staff discusses comments documented on 79-E Interdepartmental Review sheet and project specifics (e.g. public benefit, covenants, and tax relief period).
4. Community Development Director prepares draft covenants and recommendations for length of tax relief period.
5. The Board of Selectmen will hold a duly noticed public hearing to take place no later than 60 days from receipt of an application. Selectmen receive testimony from applicant, public, and staff recommendations.
6. No later than 45 days after the public hearing, the Board of Selectmen shall render a decision granting or denying the requested tax relief and, if so granting, shall establish the tax relief period.
7. The Board of Selectmen may grant the tax relief, provided:
 - a. The Board of Selectmen grants the request by a majority vote; and
 - b. The Board of Selectmen finds a public benefit under RSA 79-E:7; and

- c. The specific public benefit is preserved through a covenant under RSA 79-E:8; and
- d. The Board of Selectmen finds that the proposed use is consistent with the municipality's master plan, Zoning Ordinance, and development/land use regulations; and
- e. In the case of a replacement, under RSA 79-E:2.III, the Board of Selectmen specifically finds the following:
 - i. The Milford Heritage Commission has determined that the replaced qualifying structure does not possess significant historical, cultural, or architectural value.
 - ii. The replacement of a qualifying structure will achieve one or more of the public benefits identified in RSA 79-E:7 to a greater degree than the renovation of the underutilized structure; and
 - iii. The historical, cultural, or architectural resources in the community will not be adversely affected by the replacement.
9. If the Board of Selectmen grants the tax relief, they shall identify the specific public benefit achieved under RSA 79-E:7 and shall determine the precise terms and duration of the covenant to preserve the public benefit under RSA 79-E:8.
10. If the Board of Selectmen, in its discretion, denies the application for tax relief, such denial shall be accompanied by a written explanation. The Board of Selectmen's decision may be appealed either to the board of tax and land appeals or the superior court in the same manner as provided for appeals of current use classification pursuant to RSA 79-A:9 or 79-A: 11 provided, however, that such denial shall be deemed discretionary and shall not be set aside by the board of tax and land appeals or the superior court except for bad faith or discrimination.

Application Process Overview

Community Revitalization Tax Relief Incentive



Termination: the tax relief provided by the Town of Milford may be terminated if the property owner fails to maintain or utilize the property according to the terms of the covenant, or fails to restore, rebuild, or demolish the structure following damage or destruction. The Board of Selectmen holds a public hearing to determine the extent of the diminution of the public benefit; the tax relief may be reduced or terminated; if it is terminated, the property owner is liable for back taxes.

Milford 79-E Application



TOWN OF MILFORD, NH
 OFFICE OF COMMUNITY DEVELOPMENT

APPLICATION FOR COMMUNITY REVITALIZATION TAX RELIEF PROGRAM

Instructions to the Applicant:

You will need to fill out the application, provide required documentation, take part in a public hearing before the Board of Selectmen and execute a covenant with the Town of Milford, which will be recorded in the Hillsborough County Registry of Deeds. To the extent that may be required by your specific application, you may also need to submit your proposal to the Planning Board, the Zoning Board of Adjustment and/or the Heritage Commission.

The Office of Community Development will be available to respond to questions the applicant(s) may have regarding the application form, drawings and plans. Legal assistance should be obtained from the applicant's personal attorney.

If you have any questions with the application, the process, or what to expect, please call the Director of Community Development at (603) 249-0620 or email: DirComDev@Milford.nh.gov.

Thank you for your interest in the Community Revitalization Tax Relief Incentive, and good luck with your application and restoration project.

Office Use Only

Date Application Submitted: _____ Received By: _____ (Initials)

Applicant: _____ Application Fee Received: Yes No

Board of Selectmen Action: Approved Denied Date: _____

COMMUNITY REVITALIZATION TAX RELIEF PROGRAM (RSA79-E)

(To be completed by the Applicant)

Property/Building Information

Building Name (if any): _____

Property/Building Address: _____

Zoning District: _____ Tax Map: _____ Lot: _____ Registry Book: _____ Page: _____

Contact throughout this application process will be made through the applicant listed below.

The property owner may designate an agent as the coordinator for the project. This person (the applicant) shall attend public hearings, will receive comments, recommendations, staff reports, and will communicate all case information to other parties as required.

The Property Owner may act as the Applicant. If so, list under Applicant's Name, "Owner", and complete owner's information as requested.

Applicant's Name:

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____

E-mail: _____

Owner's Name:

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____

E-mail: _____

Existing Property/Building Information:

Existing Uses (describe present use, size, and number of employees, etc.):

Is the building listed on, or eligible for listing, on the National Register of Historic Places or located within a locally designated State or National Register Historic district? Yes No

If yes, provide a copy of the approved designation by the State or National Register of the building or the district.

Is the building located within and important to a locally designated historic district? Yes No

Existing Property/Building Information (Continued):

Gross Square Footage of Building: _____ Year Building was built: _____

Gross Square Footage of Parcel: _____ Area of Parcel to be impacted: _____

Square footage of building to impacted: _____

Total assessed value of parcel as of date of application: _____

Assessed value of building: _____ Assessed value of land: _____

Project Description

Proposed Uses (describe use, size, number of employees, etc.):

Is this a change of use associated with this project? Yes No

Will the project include new residential units? Yes No

If yes, please describe:

Will the project include affordable residential units? Yes No

If yes, please describe: _____

Has an abatement application been filed or has an abatement been awarded on this property within the past year?
 Yes No

Will any state or federal grants, low income subsidies, or any other tax credits be used with this project?
 Yes No

If yes, describe and detail the amount of the aid and terms of repayment: _____

Number of years of requested tax relief: _____

For any request for tax relief for up to an additional four (4) years for historic buildings, the project described must meet the Secretary of Interior's Standards for Rehabilitation. (See NH RSA 79-E:5, III)

Replacement of Qualifying Structure:

Does the project involve the replacement of a qualifying structure? Yes No

If yes, the owner shall submit with this application the following:

1. A New Hampshire division of historical resources individual resource inventory form, prepared by a qualified architectural historian.
2. A letter from the Milford Heritage Commission that identifies any and all historical, cultural, and architectural value of the structure or structures that are proposed to be replaced and the property on which those structures are located.

Note: The application for tax relief shall not be deemed to be complete and the governing body shall not schedule the public hearing on the application for replacement of a qualifying structure as required under RSA 79-E:4, II until the inventory form and the letter, as well as all other required information, have been submitted, if required.

Public Benefit (RSA 79:E-7)

In order to qualify for tax relief under this program, the proposed substantial rehabilitation must provide at least one of the public benefits listed below. Any proposed replacement must provide one or more of the public benefits listed below to a greater degree than would a substantial rehabilitation of the same qualifying structure.

Does the project provide the following public benefits? (Check all that apply)

Enhances the economic vitality of the designated area? Yes No

If yes, please describe:

Enhances and improves a culturally or historically important structure? Yes No

If yes, please describe:

Promotes development of the designated area, providing for efficiency, safety, and a greater sense of community, consistent with RSA 9-B? Yes No

If yes, please describe:

Increases residential housing in urban or town centers? Yes No

If yes, please describe:

Promotes preservation and reuse of existing building stock by rehabilitation of historic structures Yes No

If yes, please describe:

Other issues and matters applicant deems relevant to this request? Yes No

If yes, please describe:

Substantial Rehabilitation

Describe the work to be done and estimated costs.

1. Attach additional sheets if necessary and any written construction estimates.
2. Attach any project narratives, plot plans, building plans, sketches, renderings, or photographs that will help explain this application

Structural (both exterior and interior):	Estimated Cost: _____
Electrical:	Estimated Cost: _____
Plumbing/Heating:	Estimated Cost: _____
Mechanical:	Estimated Cost: _____
Other:	Estimated Cost: _____
Total Estimated Project Cost:	
Expected Project Start Date: _____ Expected Project Completion Date: _____	

Optional attachments to this application include the following:

Sketches, renderings, photographs, plot plans, building plans, elevations, construction details/costs not included in application, and multi-year cash flow pro forma showing all revenues and expenditures for the project, which might help explain the project.

Applicant/Owner Signature

To qualify for this tax relief incentive, the costs of the project must be at least 15% of the pre-rehabilitation assessed value or \$75,000, whichever is less.

I/we certify the estimated costs are reasonable and the costs of the project meet the above requirement.

Initial here: _____

I/We understand that failure to meet this threshold or the listing unreasonable construction costs will result in the denial of the application and forfeiture of the application fee.

Initial here: _____

I/we have read and understand the Community Revitalization Tax Relief Incentive, RSA 79-E, and am/are aware that this will be a public process including a public hearing to discuss the merits of this application and the subsequent need to enter into a covenant with the Town and pay all reasonable expenses associated with the drafting/recording of the covenant.

Initial here: _____

Note: The application for tax relief shall not be deemed to be complete and the governing body shall not schedule the public hearing on the application as required under RSA 79-E:4, II until the inventory form and letter required by RSA 79-E:4, I-a, and all other required information, have been submitted, if required

Initial here: _____

IMPORTANT

Per RSA 79-E:13(II), the Base or "Original" Assessed Value for any tax relief is only set after the following two conditions are met:

1. Approval by the Board of Selectmen.
2. The Applicant's entering into a Covenant with the Town of Milford to protect the public benefit.

Therefore, the Applicant and/or property owner shall not commence any of the improvements included in this application until such time as he/she has secured the above. This prohibition shall include any demolition to an existing structure.

Affidavit

I/we have read and understand the RSA 79-E, Community Revitalization Tax Relief Incentive and the March 11, 2017 Town vote and am/are aware that this will be a public process including a public hearing to be held to discuss the merits of this application and the subsequent need to grant a covenant in the deed to the property to the Town and pay all reasonable expenses associated with the drafting/recording of the covenant. The undersigned hereby certifies the foregoing information is true and correct;

_____ Signature	_____ (printed name)	_____ Date
_____ Signature	_____ (printed name)	_____ Date
_____ Signature	_____ (printed name)	_____ Date
_____ Signature	_____ (printed name)	_____ Date
_____ Signature	_____ (printed name)	_____ Date

Attachment

2

Declaration of Covenant Template

TOWN OF MILFORD, NEW HAMPSHIRE

COVENANT TO PROTECT PUBLIC BENEFIT

Per RSA 79-E:8 (Community Revitalization Tax Relief Incentive)

I (We) _____ [name] of _____ [address], _____ (town, city, zip code) (hereinafter referred to, collectively, if appropriate, as "GRANTOR") owner(s) of _____ [property] situate at _____ [address], Milford, NH (hereinafter referred to as the "PROPERTY"), for (myself/ourselves/itself) and for (my/our/it's) successors and assigns, for consideration of tax relief granted to GRANTOR by GRANTEE pursuant to the provisions of RSA 79-E, agree to the following covenants imposed by the Town of Milford, (hereinafter referred to as "GRANTEE"), 1 Union Square, County of Hillsborough, State of New Hampshire.

These covenants are made in exchange for property tax relief granted with respect to the PROPERTY as a result of the substantial rehabilitation of the PROPERTY to be accomplished by the GRANTOR in accordance with GRANTOR proposal (specific approved scope of work is attached as "CHAPTER 79-E COMMUNITY REVITALIZATION TAX RELIEF INCENTIVE ADDENDUM") approved by GRANTEE on [date of Board of Selectmen approval].

This COVENANT is to protect the public benefit in accordance with the provisions of RSA 79-E for a term of ____ [number of years] years, beginning on April first of the first tax year commencing immediately after the completion of the rehabilitation work. Notwithstanding the foregoing, the contemplated tax relief shall be null and void if the proposed rehabilitation work is not completed by March 31st _____[deadline year for completion].

The PROPERTY is designated as Tax Map [number] Lot [number] in the Town of Milford. For further reference to GRANTOR'S title, see deed recorded at Book [reference], Page [reference], Hillsborough County Registry of Deeds.

The GRANTEE agrees that the PROPERTY, if substantially rehabilitated in accordance with GRANTOR'S proposal approved by GRANTEE on [date of Board of Selectmen approval] provides a demonstrated public benefit in accordance with the provisions of RSA 79-E:7 inasmuch as the substantial rehabilitation of said property:

- I. Enhances the economic vitality of the extended Milford Downtown Area.
- II. Enhances or improves a structure that is culturally or historically important on a local, regional, state, or national level, either independently or within the context of an historic district, town center, or village center in which the building is located.
- III. Promotes development of the extended Milford Oval and downtown areas, providing for efficiency, safety and a greater sense of community consistent with RSA 9-B.

IV. Increases residential housing diversity and opportunities. The Town of Milford Board of Selectmen held a public hearing on _____ [date of Board of Selectmen approval] and at that meeting made the following findings consistent with and required by RSA 79-E: 7 & 8.

The terms of the COVENANT which is hereby granted by the GRANTOR to the GRANTEE with respect to the above described PROPERTY are to be co-extensive with the tax relief period and are as follows:

SUMMARY OF FINDINGS.

(Insert summary of findings if desired).

GRANTOR'S COVENANTS.

REHABILITATION OF PROPERTY. The Grantor agrees to substantially rehabilitate the PROPERTY during the term of this Agreement in accordance with GRANTOR'S proposal approved by GRANTEE on _____ [date of Board of Selectmen approval]. The substantial rehabilitation contemplated by GRANTOR'S proposal approved by GRANTEE on _____ [date of Board of Selectmen approval] shall be completed by the GRANTOR on or before March 31, _____ [deadline year]. All of the work on the attached scope of work must be completed in order for the tax relief to take effect. If only some of the work on the attached scope of work is completed prior to March 31, _____ [upcoming year] or March 31, _____ [following year], then the PROPERTY shall be fully assessed for the value of that work during the tax year(s) commencing [upcoming year] and/or _____ [following year].

MAINTENANCE OF THE PROPERTY. The GRANTOR agrees to maintain, use and keep the structure in a condition that furthers the public benefits for which the tax relief was granted and accepted during the term of the tax relief under RSA 79-E.

(Insert any particular restrictions such a signage, maintenance of building and its surroundings, other structure and so forth, as may be agreed upon between the Grantor and Grantee.)

REQUIRED INSURANCE, USE OF INSURANCE PROCEEDS, AND TIMEFRAME TO REPLACE OR REMOVE DAMAGED PROPERTY. The GRANTOR agrees and is required to obtain and maintain casualty insurance, as well as flood insurance, if appropriate. As permitted by RSA 79-E:8, this COVENANT shall be a lien against proceeds from casualty and flood insurance claims for the purpose of ensuring proper restoration or demolition or damaged structures and property. The GRANTEE further requires that the restoration or demolition commence within one year

following any insurance claim incident; otherwise the GRANTOR shall be subject to the termination provisions set forth in RSA 79-E:9, I.

RECORDING. The GRANTEE agrees to and shall provide for the recording of this COVENANT with the Hillsborough County Registry of Deeds. It shall be a burden upon the PROPERTY and bind all transferees and assignees of such PROPERTY. The GRANTOR will be solely responsible for payment of the recording fees.

ASSESSMENT OF THE PROPERTY. The GRANTEE agrees that the PROPERTY shall be assessed, during the term of the Tax Relief Granted based on the pre-rehabilitation value or such other value utilized by the Assessor to address improvements not covered by RSA 79-E. If the terms of these covenants are not met, the Property Tax Relief will be discontinued. Furthermore, the GRANTEE will assess all taxes to the owner as though no tax relief was granted, with interest in accordance with RSA 79-E:9, II.

RELEASE, EXPIRATION, CONSIDERATION.

- I. **RELEASE.** The GRANTOR may apply to the local governing body of the Town of Milford for a release from the foregoing discretionary tax relief and associated COVENANT within the duration of the tax relief period of the RSA 79-E upon a demonstration of extreme personal hardship. Upon release from such covenants, the GRANTOR shall thereafter pay the full value assessment of such structure(s) and land to the Tax Collector of the Town of Milford.
- II. **EXPIRATION.** Upon final expiration of the terms of the tax relief and associated covenants the tax assessment will convert to the then full fair market value and these covenants will be concluded.
- III. **CONSIDERATION.** The Tax Collector shall issue a summary receipt to the owner of such PROPERTY and a copy of the governing body of the Town of Milford for the sums of tax relief accorded during the term of this Agreement. The local governing body shall, upon receiving a copy of the above-mentioned consideration, execute a release of the COVENANT to the GRANTOR who shall record such a release with the Hillsborough County Registry of Deeds. A copy of such release or renewal shall also be sent to the local assessing official.
- IV. **MAINTENANCE OF STRUCTURE.** If, during the term of the tax relief, the GRANTOR shall fail to maintain the structure in conformity with the foregoing agreement, or shall cause the structure(s) to significantly deteriorate or be demolished or removed, the covenants shall be terminated and a penalty shall be assessed in accordance with Paragraph I(a) above.

ENFORCEMENT. If a breach of this COVENANT is brought to the attention of the GRANTEE, the GRANTEE shall notify the GRANTOR, in writing of such breach, which notification shall be delivered in hand or by certified mail, return receipt requested to the GRANTOR.

The GRANTOR shall have 30 days after receipt of such notice to undertake those actions, including restorations, which are reasonably calculated to cure the said breach and to notify the GRANTEE thereof.

If the GRANTOR fails to take such curative action, the GRANTEE may undertake any actions that are reasonably necessary to cure such breach, and the cost thereof, including GRANTEE'S expenses,

court costs and legal fees, shall be paid by the GRANTOR, provided the said GRANTOR is determined to be directly or indirectly responsible for the breach.

The GRANTOR, by accepting and recording this COVENANT to the GRANTOR agrees to be bound by and to observe and enforce the provisions hereof and assumes the rights and responsibilities herein provided for and incumbent upon the GRANTEE, all in furtherance the purposes for which this Tax Relief and associated COVENANT is delivered.

WITNESS MY/OUR/IT'S HAND this _____ day of _____, 20_____.

Witness: _____ Grantor: _____

Print Name: _____

Witness: _____ Grantor: _____

Print Name: _____

STATE OF NEW HAMPSHIRE
COUNTY OF HILLSBOROUGH

On this _____ day of _____, 20____, personally appeared the above
_____ and _____, known to me, or satisfactorily proven, to be
the same, and acknowledged that he/she/they executed the same for the purposes contained
therein.

Notary Public/Justice of the Peace

My commission expires: _____

ACCEPTED this _____ day of _____, 20____ by the Town of MILFORD.

TOWN OF MILFORD

By: _____ Print Name: _____

*Milford Town Administrator
(Or other authorized designee)*

Attachment

3

N.H. RSA 79-E

**TITLE V
TAXATION**

CHAPTER 79-E

COMMUNITY REVITALIZATION TAX RELIEF INCENTIVE

Section 79-E:1

79-E:1 Declaration of Public Benefit. –

I. It is declared to be a public benefit to enhance downtowns and town centers with respect to economic activity, cultural and historic character, sense of community, and in-town residential uses that contribute to economic and social vitality.

II. It is further declared to be a public benefit to encourage the rehabilitation of the many underutilized structures in urban and town centers as a means of encouraging growth of economic, residential, and municipal uses in a more compact pattern, in accordance with RSA 9-B.

II-a. In instances where a qualifying structure is determined to possess no significant historical, cultural, or architectural value and for which the governing body makes a specific finding that rehabilitation would not achieve one or more of the public benefits established in RSA 79-E:7 to the same degree as the replacement of the underutilized structure with a new structure, the tax relief incentives provided under this chapter may be extended to the replacement of an underutilized structure in accordance with the provisions of this chapter.

II-b. It is further declared to be a public benefit to encourage the rehabilitation of historic structures in a municipality by increasing energy efficiency in the preservation and reuse of existing building stock.

III. Short-term property assessment tax relief and a related covenant to protect public benefit as provided under this chapter are considered to provide a demonstrated public benefit if they encourage substantial rehabilitation and use of qualifying structures, or in certain cases, the replacement of a qualifying structure, as defined in this chapter.

Source. 2006, 167:1. 2009, 200:3, 4, eff. July 15, 2009. 2013, 78:1, eff. April 1, 2013.

Section 79-E:2

79-E:2 Definitions. – In this chapter:

I. "Historic structure" means a building that is listed on or determined eligible for listing on the National Register of Historic Places or the state register of historic places.

II. "Qualifying structure" means a building located in a district officially designated in a municipality's master plan, or by zoning ordinance, as a downtown, town center, central business district, or village center, or, where no such designation has been made, in a geographic area which, as a result of its compact development patterns and uses, is identified by the governing body as the downtown, town center, or village center for purposes of this chapter. Qualifying structure shall also mean historic structures in a municipality whose preservation and reuse would conserve the embodied energy in existing building stock. Cities or towns may further limit "qualifying structure" according to the

procedure in RSA 79-E:3 as meaning only a structure located within such districts that meet certain age, occupancy, condition, size, or other similar criteria consistent with local economic conditions, community character, and local planning and development goals. Cities or towns may further modify "qualifying structure" to include buildings that have been destroyed by fire or act of nature, including where such destruction occurred within 15 years prior to the adoption of the provisions of this chapter by the city or town.

III. "Replacement" means the demolition or removal of a qualifying structure and the construction of a new structure on the same lot.

IV. "Substantial rehabilitation" means rehabilitation of a qualifying structure which costs at least 15 percent of the pre-rehabilitation assessed valuation or at least \$75,000, whichever is less. In addition, in the case of historic structures, substantial rehabilitation means devoting a portion of the total cost, in the amount of at least 10 percent of the pre-rehabilitation assessed valuation or at least \$5,000, whichever is less, to energy efficiency in accordance with the U.S. Secretary of the Interior's Standards for Rehabilitation. Cities or towns may further limit "substantial rehabilitation" according to the procedure in RSA 79-E:3 as meaning rehabilitation which costs a percentage greater than 15 percent of pre-rehabilitation assessed valuation or an amount greater than \$75,000 based on local economic conditions, community character, and local planning and development goals.

V. "Tax increment finance district" means any district established in accordance with the provisions of RSA 162-K.

VI. "Tax relief" means:

(a) For a qualifying structure, that for a period of time determined by a local governing body in accordance with this chapter, the property tax on a qualifying structure shall not increase as a result of the substantial rehabilitation thereof.

(b) For the replacement of a qualifying structure, that for a period of time determined by a local governing body in accordance with this chapter, the property tax on a replacement structure shall not exceed the property tax on the replaced qualifying structure as a result of the replacement thereof.

(c) For a qualifying structure which is a building destroyed by fire or act of nature, that for a period of time determined by a local governing body in accordance with this chapter, the property tax on such qualifying structure shall not exceed the tax on the assessed value of the structure that would have existed had the structure not been destroyed.

VII. "Tax relief period" means the finite period of time during which the tax relief will be effective, as determined by a local governing body pursuant to RSA 79-E:5.

Source. 2006, 167:1. 2009, 200:5-7. 2010, 329:1, 2. 2011, 237:1, 2, eff. July 5, 2011. 2013, 78:2, eff. April 1, 2013.

Section 79-E:3

79-E:3 Adoption of Community Revitalization Tax Relief Incentive Program –

I. Any city or town may adopt or modify the provisions of this chapter by voting whether to accept for consideration or modify requirements for requests for community revitalization tax relief incentives. Any city or town may do so by following the procedures in this section.

II. In a town, other than a town that has adopted a charter pursuant to RSA 49-D, the question shall be placed on the warrant of a special or annual town meeting, by the governing body or by petition under RSA 39:3.

III. In a city or town that has adopted a charter under RSA 49-C or RSA 49-D, the legislative body may

consider and act upon the question in accordance with its normal procedures for passage of resolutions, ordinances, and other legislation. In the alternative, the legislative body of such municipality may vote to place the question on the official ballot for any regular municipal election.

IV. If a majority of those voting on the question vote "yes," applications for community revitalization tax relief incentives may be accepted and considered by the local governing body at any time thereafter, subject to the provisions of paragraph VI of this section.

V. If the question is not approved, the question may later be voted on according to the provisions of paragraph II or III of this section, whichever applies.

VI. The local governing body of any town or city that has adopted this program may consider rescinding its action in the manner described in paragraph II or III of this section, whichever applies. A vote terminating the acceptance and consideration of such applications shall have no effect on incentives previously granted by the city or town, nor shall it terminate consideration of applications submitted prior to the date of such vote.

Source. 2006, 167:1. 2010, 329:3, eff. July 20, 2010.

Section 79-E:4

79-E:4 Community Revitalization Tax Relief Incentive. –

I. An owner of a qualifying structure who intends to substantially rehabilitate or replace such structure may apply to the governing body of the municipality in which the property is located for tax relief. The applicant shall include the address of the property, a description of the intended rehabilitation or replacement, any changes in use of the property resulting from the rehabilitation or replacement, and an application fee.

I-a. In order to assist the governing body with the review and evaluation of an application for replacement of a qualifying structure, an owner shall submit to the governing body as part of the application, a New Hampshire division of historical resources individual resource inventory form, prepared by a qualified architectural historian and a letter issued by the local heritage commission and if the qualifying structure is located within a designated historic district established in accordance with RSA 674:46, a letter from the historic district commission or, if such local commissions are not established, a letter issued by the New Hampshire division of historical resources that identifies any and all historical, cultural, and architectural value of the structure or structures that are proposed to be replaced and the property on which those structures are located. The application for tax relief shall not be deemed to be complete and the governing body shall not schedule the public hearing on the application for replacement of a qualifying structure as required under RSA 79-E:4, II until the inventory form and the letter, as well as all other required information, have been submitted.

II. Upon receipt of an application, the governing body shall hold a duly noticed public hearing to take place no later than 60 days from receipt of the application, to determine whether the structure at issue is a qualifying structure; whether any proposed rehabilitation qualifies as substantial rehabilitation; and whether there is a public benefit to granting the requested tax relief and, if so, for what duration.

III. No later than 45 days after the public hearing, the governing body shall render a decision granting or denying the requested tax relief and, if so granting, establishing the tax relief period.

IV. (a) The governing body may grant the tax relief, provided:

- (1) The governing body finds a public benefit under RSA 79-E:7; and
- (2) The specific public benefit is preserved through a covenant under RSA 79-E:8; and
- (3) The governing body finds that the proposed use is consistent with the municipality's master

plan or development regulations; and

(4) In the case of a replacement, the governing body specifically finds that the local heritage commission or historic district commission or, if such local commissions are not established, the New Hampshire division of historical resources has determined that the replaced qualifying structure does not possess significant historical, cultural, or architectural value, the replacement of the qualifying structure will achieve one or more of the public benefits identified in RSA 79-E:7 to a greater degree than the renovation of the underutilized structure, and the historical, cultural, or architectural resources in the community will not be adversely affected by the replacement. In connection with these findings, the governing body may request that the division of historical resources conduct a technical evaluation in order to satisfy the governing body that historical resources will not be adversely affected.

(b) If the governing body grants the tax relief, the governing body shall identify the specific public benefit achieved under RSA 79-E:7, and shall determine the precise terms and duration of the covenant to preserve the public benefit under RSA 79-E:8.

V. If the governing body, in its discretion, denies the application for tax relief, such denial shall be accompanied by a written explanation. The governing body's decision may be appealed either to the board of tax and land appeals or the superior court in the same manner as provided for appeals of current use classification pursuant to RSA 79-A:9 or 79-A:11 provided, however, that such denial shall be deemed discretionary and shall not be set aside by the board of tax and land appeals or the superior court except for bad faith or discrimination.

VI. Municipalities shall have no obligation to grant an application for tax relief for properties located within tax increment finance districts when the governing body determines, in its sole discretion, that the granting of tax relief will impede, reduce, or negatively affect:

(a) The development program or financing plans for such tax increment finance districts; or

(b) The ability to satisfy or expedite repayment of debt service obligations incurred for a tax increment financing district; or

(c) The ability to satisfy program administration, operating, or maintenance expenses within a tax increment financing district.

Source. 2006, 167:1. 2009, 200:8-11, eff. July 15, 2009.

Section 79-E:5

79-E:5 Duration of Tax Relief Period. –

I. The governing body may grant such tax assessment relief for a period of up to 5 years, beginning with the completion of the substantial rehabilitation.

I-a. For the approval of a replacement of a qualifying structure, the governing body may grant such tax assessment relief for a period of up to 5 years, beginning only upon the completion of construction of the replacement structure. The governing body may, in its discretion, extend such additional years of tax relief as provided for under this section, provided that no such additional years of tax relief may be provided prior to the completion of construction of the replacement structure. The municipal tax assessment of the replacement structure and the property on which it is located shall not increase or decrease in the period between the approval by the governing body of tax relief for the replacement structure and the time the owner completes construction of the replacement structure and grants to the municipality the covenant to protect the public benefit as required by this chapter. The governing body may not grant any tax assessment relief under this chapter with respect to property and structures for which an election has been made for property appraisal under RSA 75:1-a.

II. The governing body may, in its discretion, add up to an additional 2 years of tax relief for a project that results in new residential units and up to 4 years for a project that includes affordable housing.

III. The governing body may, in its discretion, add up to an additional 4 years of tax relief for the substantial rehabilitation of a qualifying structure that is listed on or determined eligible for listing on the National Register of Historic Places, state register of historic places, or is located within and important to a locally designated historic district, provided that the substantial rehabilitation is conducted in accordance with the U.S. Secretary of Interior's Standards for Rehabilitation.

IV. The governing body may adopt local guidelines to assist it in determining the appropriate duration of the tax assessment relief period.

Source. 2006, 167:1. 2009, 200:12. 2010, 329:4, eff. July 20, 2010.

Section 79-E:6

79-E:6 Resumption of Full Tax Liability. – Upon expiration of the tax relief period, the property shall be taxed at its market value in accordance with RSA 75:1.

Source. 2006, 167:1, eff. April 1, 2006.

Section 79-E:7

79-E:7 Public Benefit. – In order to qualify for tax relief under this chapter, the proposed substantial rehabilitation must provide at least one of the public benefits, and the proposed replacement must provide one or more of the public benefits to a greater degree than would a substantial rehabilitation of the same qualifying structure, as follows:

I. It enhances the economic vitality of the downtown;

II. It enhances and improves a structure that is culturally or historically important on a local, regional, state, or national level, either independently or within the context of an historic district, town center, or village center in which the building is located;

II-a. It promotes the preservation and reuse of existing building stock throughout a municipality by the rehabilitation of historic structures, thereby conserving the embodied energy in accordance with energy efficiency guidelines established by the U.S. Secretary of the Interior's Standards for Rehabilitation.

III. It promotes development of municipal centers, providing for efficiency, safety, and a greater sense of community, consistent with RSA 9-B; or

IV. It increases residential housing in urban or town centers.

Source. 2006, 167:1. 2009, 200:13, eff. July 15, 2009. 2013, 78:3, eff. April 1, 2013.

Section 79-E:7-a

79-E:7-a Public Benefit Determinations. – Cities or towns may adopt according to the procedure in RSA 79-E:3 provisions that further define the public benefits enumerated in RSA 79-E:7 to assist the governing body in evaluating applications made under this chapter based on local economic conditions, community character, and local planning and development goals.

Source. 2010, 329:5, eff. July 20, 2010.

Section 79-E:8

79-E:8 Covenant to Protect Public Benefit. –

I. Tax relief for the substantial rehabilitation or replacement of a qualifying structure shall be effective

only after a property owner grants to the municipality a covenant ensuring that the structure shall be maintained and used in a manner that furthers the public benefits for which the tax relief was granted and as otherwise provided in this chapter.

II. The covenant shall be coextensive with the tax relief period. The covenant may, if required by the governing body, be effective for a period of time up to twice the duration of the tax relief period.

III. The covenant shall include provisions requiring the property owner to obtain casualty insurance, and flood insurance if appropriate. The covenant may include, at the governing body's sole discretion, a lien against proceeds from casualty and flood insurance claims for the purpose of ensuring proper restoration or demolition of damaged structures and property. If the property owner has not begun the process of restoration, rebuilding, or demolition of such structure within one year following damage or destruction, the property owner shall be subject to the termination of provisions set forth in RSA 79-E:9, I.

IV. The local governing body shall provide for the recording of the covenant to protect public benefit with the registry of deeds. It shall be a burden upon the property and shall bind all transferees and assignees of such property.

V. The applicant shall pay any reasonable expenses incurred by the municipality in the drafting, review, and/or execution of the covenant. The applicant also shall be responsible for the cost of recording the covenant.

Source. 2006, 167:1. 2009, 200:14, eff. July 15, 2009.

Section 79-E:9

79-E:9 Termination of Covenant; Reduction of Tax Relief; Penalty. –

I. If the owner fails to maintain or utilize the building according to the terms of the covenant, or fails to restore, rebuild, or demolish the structure following damage or destruction as provided in RSA 79-E:8, III, the governing body shall, after a duly noticed public hearing, determine whether and to what extent the public benefit of the rehabilitation or replacement has been diminished and shall determine whether to terminate or reduce the tax relief period in accordance with such determination. If the covenant is terminated, the governing body shall assess all taxes to the owner as though no tax relief was granted, with interest in accordance with paragraph II.

II. Any tax payment required under paragraph I shall be payable according to the following procedure:

(a) The commissioner of the department of revenue administration shall prescribe and issue forms to the local assessing officials for the payment due, which shall provide a description of the property, the market value assessment according to RSA 75:1, and the amount payable.

(b) The prescribed form shall be prepared in quadruplicate. The original, duplicate, and triplicate copy of the form shall be given to the collector of taxes for collection of the payment along with a special tax warrant authorizing the collector to collect the payment under the warrant. The quadruplicate copy of the form shall be retained by the local assessing officials for their records.

(c) Upon receipt of the special tax warrant and prescribed forms, the tax collector shall mail the duplicate copy of the tax bill to the owner responsible for the tax as the notice of payment.

(d) Payment shall be due not later than 30 days after the mailing of the bill. Interest at the rate of 18 percent per annum shall be due thereafter on any amount not paid within the 30-day period. Interest at 12 percent per annum shall be charged upon all taxes that would have been due and payable on or before December 1 of each tax year as if no tax relief had been granted.

Source. 2006, 167:1. 2009, 200:15, eff. July 15, 2009.

Section 79-E:10

79-E:10 Lien for Unpaid Taxes. – The real estate of every person shall be held for the taxes levied pursuant to RSA 79-E:9.

Source. 2006, 167:1, eff. April 1, 2006.

Section 79-E:11

79-E:11 Enforcement. – All taxes levied pursuant to RSA 79-E:9 which are not paid when due shall be collected in the same manner as provided in RSA 80.

Source. 2006, 167:1. 2007, 42:3, eff. July 20, 2007.

Section 79-E:12

79-E:12 Rulemaking. – The commissioner of the department of revenue administration may adopt rules, pursuant to RSA 541-A, relative to the payment and collection procedures under RSA 79-E:9.

Source. 2006, 167:1, eff. April 1, 2006. 2016, 85:2, eff. July 18, 2016.

Section 79-E:13

79-E:13 Extent of Tax Relief. –

I. (a) Tax relief granted under this chapter shall pertain only to assessment increases attributable to the substantial rehabilitation performed under the conditions approved by the governing body and not to those increases attributable to other factors including but not limited to market forces; or

(b) Tax relief granted under this chapter shall be calculated on the value in excess of the original assessed value. Original assessed value shall mean the value of the qualifying structure assessed at the time the governing body approves the application for tax relief and the owner grants to the municipality the covenant to protect public benefit as required in this chapter, provided that for a qualifying structure which is a building destroyed by fire or act of nature, original assessed value shall mean the value as of the date of approval of the application for tax relief of the qualifying structure that would have existed had the structure not been destroyed.

II. The tax relief granted under this chapter shall only apply to substantial rehabilitation or replacement that commences after the governing body approves the application for tax relief and the owner grants to the municipality the covenant to protect the public benefit as required in this chapter, provided that in the case of a qualifying structure which is a building destroyed by fire or act of nature, and which occurred within 15 years prior to the adoption of the provisions of this chapter by the city or town, the tax relief may apply to such qualifying structure for which replacement has begun, but which has not been completed, on the date the application for relief under this chapter is approved.

Source. 2006, 167:1. 2010, 329:6. 2011, 237:3, eff. July 5, 2011.

Section 79-E:14

79-E:14 Other Programs. – The provisions of this chapter shall not apply to properties whose rehabilitation or construction is subsidized by state or federal grants or funds that do not need to be repaid totaling more than 50 percent of construction costs from state or federal programs.

Source. 2006, 167:1, eff. April 1, 2006.



City of Rochester, New Hampshire

Community Revitalization Tax Relief Incentive

Instructions to the Applicant:

The following documents contain everything you need to complete your application for tax relief to revitalize your building. Please read everything carefully. The application materials are based upon the requirements set forth by NH RSA 79-E. You will need to fill out the application, take part in a public hearing with the City Council, and execute a covenant with the City. If you have any questions with the application, the process, or what to expect, please call Michael Scala, Economic Development Director, at 603-335-7595 or email Michael.scala@rochesternh.net.

Thank you for your interest in the Community Revitalization Tax Relief Incentive. The City of Rochester wishes you the best of luck with your application and restoration project!



City of Rochester, New Hampshire

Economic Development Department
31 Wakefield Street, Rochester NH 03867

Community Revitalization Tax Relief (per RSA 79E)

Application must be accompanied by \$150 application fee payable to "City of Rochester"

Date of Preparation: _____

Property information

Property address/location: _____

Name of building (if any): _____

Tax map & lot #: _____ Year built: _____

Square Footage: _____ Condition: _____

Zoning: _____ Vacant, how long: _____

Is this structure eligible or listed on the State or National Register of Historic Places, or located in a local, state or federal Historic District? Yes ____ No ____

Name of District: _____

Existing Uses (describe current use, unit type/size, # floors, # employees):

Change of Use?: _____

Property Owner

Name (include name of individual): _____

Company: _____

Mailing address: _____

Telephone #: _____ Email: _____

Applicant or Agent Contact:

Name (include name of individual): _____

Company: _____

Mailing address: _____

Telephone #: _____ Email: _____

EXHIBIT

Proposed Project Information

Name of Architect (if known): _____

Name of Licensed Contractor (if known): _____ Will the

project include rehabilitation of residential units? _____ If yes, how many _____

Are the residential units defined as "affordable"? Yes _____ No _____

(The current affordable rents in the City of Rochester are available at [NH-Housing-Rental-Survey-Report-2021.pdf \(nhhfa.org\)](#))

Describe the commercial space, square footage, uses and conditions: _____

Please describe in detail the public benefits associated with this project? You may attach pages to the application for this and the following question. (RSA 79-E:7)

Explain the project in your own words:

Pre-Rehabilitation Ad Velorum Tax Valuation \$ _____

Please obtain a Property Record Card from the Rochester Assessing Department, and include a copy with the application.

Does the estimated cost of rehabilitation exceed 15% of pre-rehabilitation valuation, or

\$75,000, whichever is lower? YES _____ NO _____ % _____

Note: This program is available for projects where the rehabilitation cost equals or exceeds 15% of the pre-rehabilitation assessed valuation or \$75,000, whichever is lower. If your project does not meet this standard, it is not eligible for Tax Relief under RSA 79e.

Project costs

Describe work that will constitute the substantial rehabilitation and estimated/projected costs.

Historic Restoration: _____ Cost: \$ _____

Sustainability/Efficiency: _____ Cost: \$ _____

Interior Alterations: _____ Cost: \$ _____

Exterior Alterations: _____ Cost: \$ _____

Structural: _____ Cost: \$ _____

Electrical: _____ Cost: \$ _____

Plumbing: _____ Cost: \$ _____

Mechanical: _____ Cost: \$ _____

Safety/Fire Protection: _____ Cost: \$ _____

Other: _____ Cost: \$ _____

Expected construction dates. Start: _____; Finish: _____

Total project cost: \$ _____

Please attach written estimates whenever possible.

Will any state or federal grants or funds be used in this project? Yes _____ No _____

If yes, please provide information in detail on an additional sheet.

Note: *The provisions of this chapter shall not apply to properties whose rehabilitation or construction is subsidized by state or federal grants or funds that do not need to be repaid totaling more than 50 percent of construction costs from state or federal programs.*

Other Approvals and Information

Please include the scheduled date of review or attach the **Notice of Decision** as appropriate:

Project Narrative or Letter of Intent to Planning: _____ Date: _____

Historic District Review: _____ Date: _____

(Required only if replacing a qualified structure)

Other (please specify): _____ Date: _____

Application Checklist

(Applications are not complete, and review will not be scheduled, until all supporting items are delivered)

- Completed Application form with signatures.
- Application Fee made payable to City of Rochester
- Documentation and photos of Historic Information
- Copy of Property Record Card
- Description of Public Benefit
- Site plans, diagrams, elevations associated with the Project
- Cost Estimates associated with the Project
- Documentation of State or Federal Funds
- Notice of Decision for Other Reviews
- Request for Tax Relief

Request for Community Revitalization Tax Relief

_____ Substantial Rehabilitation Tax Relief Incentive (Up to 5 Years)

_____ Additional Tax Relief Incentive for New Residential Units (Up to 2 Years)

_____ Additional Tax Relief Incentive for Affordable Housing (Up to 4 Years)

_____ Additional Tax Relief for rehabilitation of historic places* (Up to 4 Years)

** Rehabilitation in accordance with the in accordance with Secretary of Interior’s Standards for Rehabilitation.*

Please explain your request for the above tax relief categories. You may attach an additional sheet. _____

Submission of Application

This application must be signed by the property owner. Please submit an electronic version and /or a complete package of information to:

Rochester Community & Economic Development
Mail: 31 Wakefield St, Rochester, NH 03867
michael.scala@rochesternh.net

A \$150.00 application fee (payable to “City of Rochester”) must be submitted in order for this application to be considered complete. Please follow up at 603-335-7522 to insure all information and payments have been received.

I (we) hereby submit this application under the Community Revitalization Tax Relief Incentive Statute (NH RSA 79-E) and attest that to the best of my (our) knowledge all of the information herein and in the accompanying materials is true and accurate. I (we) have reviewed the statute and understand that: a) there will be a public review process and public hearing to evaluate the merits of this application; b) I (we) will need to enter into a covenant with the City; and c) I (we) may be required to pay reasonable expenses associated with the creation and recording of the covenant to the Strafford County Registry of Deeds.

Signature of property owner (1): _____

Printed Name: _____ Date: _____

Signature of property owner (2): _____

Printed Name: _____ Date: _____

ATTACHMENT I
City of Rochester RSA 79e Application

The Standards (Department of the Interior regulations 36 CFR 67) pertain to all historic properties listed in or eligible for listing in the National Register of Historic Places.

- 1) A property shall be used for its intended historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.
- 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.
- 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.
- 4) Most properties change over time; those changes that have acquired historic significance in their own right shall be retained and preserved.
- 5) Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a historic property shall be preserved.
- 6) Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old in design, color, texture, and other visual qualities and, where possible, materials. Replacement of missing features shall be substantiated by documentary, physical, or pictorial evidence.
- 7) Chemical or physical treatments, such as sandblasting, that cause damage to historic materials shall not be used. The surface cleaning of structures, if appropriate, shall be undertaken using the gentlest means possible.
- 8) Significant archeological resources affected by a project, shall be protected and preserved. If such resources must be disturbed, mitigation measures shall be undertaken. 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 and its environment.
- 10) New additions and adjacent or related new construction shall be undertaken in such a manner that if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

ATTACHMENT II
City of Rochester RSA 79e Application

TITLE V
TAXATION

CHAPTER 79-E

COMMUNITY REVITALIZATION TAX RELIEF INCENTIVE

Section 79-E:1

79-E:1 Declaration of Public Benefit. –

I. It is declared to be a public benefit to enhance downtowns and town centers with respect to economic activity, cultural and historic character, sense of community, and in-town residential uses that contribute to economic and social vitality.

II. It is further declared to be a public benefit to encourage the rehabilitation of the many underutilized structures in urban and town centers as a means of encouraging growth of economic, residential, and municipal uses in a more compact pattern, in accordance with RSA 9-B.

II-a. In instances where a qualifying structure is determined to possess no significant historical, cultural, or architectural value and for which the governing body makes a specific finding that rehabilitation would not achieve one or more of the public benefits established in RSA 79-E:7 to the same degree as the replacement of the underutilized structure with a new structure, the tax relief incentives provided under this chapter may be extended to the replacement of an underutilized structure in accordance with the provisions of this chapter.

II-b. It is further declared to be a public benefit to encourage the rehabilitation of historic structures in a municipality by increasing energy efficiency in the preservation and reuse of existing building stock.

III. Short-term property assessment tax relief and a related covenant to protect public benefit as provided under this chapter are considered to provide a demonstrated public benefit if they encourage substantial rehabilitation and use of qualifying structures, or in certain cases, the replacement of a qualifying structure, as defined in this chapter.

Source. 2006, 167:1. 2009, 200:3, 4, eff. July 15, 2009. 2013, 78:1, eff. April 1, 2013.

Section 79-E:2

79-E:2 Definitions. – In this chapter:

I. "Historic structure" means a building that is listed on or determined eligible for listing on the National Register of Historic Places or the state register of historic places.

II. "Qualifying structure" means a building located in a district officially designated in a municipality's master plan, or by zoning ordinance, as a downtown, town center, central business district, or village center, or, where no such designation has been made, in a geographic area which, as a result of its compact development patterns and uses, is identified by the governing body as the downtown, town center, or village center for purposes of this chapter. Qualifying structure shall also mean historic structures in a municipality whose preservation and reuse would conserve the embodied energy in existing building stock. Cities or towns may further limit "qualifying structure" according to the procedure in RSA 79-E:3 as meaning only a structure located within such districts that meet certain age, occupancy, condition, size, or other similar criteria consistent with local economic conditions, community character, and local planning and development goals. Cities or towns may further modify "qualifying structure" to include buildings that have been destroyed by fire or act of nature, including where such destruction occurred within 15 years prior to the adoption of the provisions of this chapter by the city or town.

III. "Replacement" means the demolition or removal of a qualifying structure and the construction of a new structure on the same lot.

IV. "Substantial rehabilitation" means rehabilitation of a qualifying structure which costs at least 15 percent of the pre-rehabilitation assessed valuation or at least \$75,000, whichever is less. In addition, in the case of historic structures, substantial rehabilitation means devoting a portion of the total cost, in the amount of at least 10 percent of the pre-rehabilitation assessed valuation or at least \$5,000, whichever is less, to energy efficiency in accordance with the U.S. Secretary of the Interior's Standards for Rehabilitation. Cities or towns may further limit "substantial rehabilitation" according to the procedure in RSA 79-E:3 as meaning rehabilitation which costs a percentage greater than 15 percent of pre-rehabilitation assessed valuation or an amount greater than \$75,000 based on local economic conditions, community character, and local planning and development goals.

V. "Tax increment finance district" means any district established in accordance with the provisions of RSA 162-K.

VI. "Tax relief" means:

(a) For a qualifying structure, that for a period of time determined by a local governing body in accordance with this chapter, the property tax on a qualifying structure shall not increase as a result of the substantial rehabilitation thereof.

(b) For the replacement of a qualifying structure, that for a period of time determined by a local governing body in accordance with this chapter, the property tax on a replacement structure shall not exceed the property tax on the replaced qualifying structure as a result of the replacement thereof.

(c) For a qualifying structure which is a building destroyed by fire or act of nature, that for a period of time determined by a local governing body in accordance with this chapter, the property tax on such qualifying structure shall not exceed the tax on the assessed value of the structure that would have existed had the structure not been destroyed.

VII. "Tax relief period" means the finite period of time during which the tax relief will be effective, as determined by a local governing body pursuant to RSA 79-E:5.

Source. 2006, 167:1. 2009, 200:5-7. 2010, 329:1, 2. 2011, 237:1, 2, eff. July 5, 2011. 2013, 78:2, eff. April 1, 2013.

Section 79-E:3

79-E:3 Adoption of Community Revitalization Tax Relief Incentive Program –

I. Any city or town may adopt or modify the provisions of this chapter by voting whether to accept for consideration or modify requirements for requests for community revitalization tax relief incentives. Any city or town may do so by following the procedures in this section.

II. In a town, other than a town that has adopted a charter pursuant to RSA 49-D, the question shall be placed on the warrant of a special or annual town meeting, by the governing body or by petition under RSA 39:3.

III. In a city or town that has adopted a charter under RSA 49-C or RSA 49-D, the legislative body may consider and act upon the question in accordance with its normal procedures for passage of resolutions, ordinances, and other legislation. In the alternative, the legislative body of such municipality may vote to place the question on the official ballot for any regular municipal election.

IV. If a majority of those voting on the question vote "yes," applications for community revitalization tax relief incentives may be accepted and considered by the local governing body at any time thereafter, subject to the provisions of paragraph VI of this section.

V. If the question is not approved, the question may later be voted on according to the provisions of paragraph II or III of this section, whichever applies.

VI. The local governing body of any town or city that has adopted this program may consider rescinding its action in the manner described in paragraph II or III of this section, whichever applies. A vote terminating the acceptance and consideration of such applications shall have no effect on incentives previously granted by the city or town, nor shall it terminate consideration of applications submitted prior to the date of such vote.

Source. 2006, 167:1. 2010, 329:3, eff. July 20, 2010.

Section 79-E:4

79-E:4 Community Revitalization Tax Relief Incentive. –

I. An owner of a qualifying structure who intends to substantially rehabilitate or replace such structure may apply to the governing body of the municipality in which the property is located for tax relief. The applicant shall include the address of the property, a description of the intended rehabilitation or replacement, any changes in use of the property resulting from the rehabilitation or replacement, and an application fee.

I-a. In order to assist the governing body with the review and evaluation of an application for replacement of a qualifying structure, an owner shall submit to the governing body as part of the application, a New Hampshire division of historical resources individual resource inventory form, prepared by a qualified architectural historian and a letter issued by the local heritage commission and if the qualifying structure is located within a designated historic district established in accordance with RSA 674:46, a letter from the historic district commission or, if such local commissions are not established, a letter issued by the New Hampshire division of historical resources that identifies any and all historical, cultural, and architectural value of the structure or structures that are proposed to be replaced and the property on which those structures are located. The application for tax relief shall not be deemed to be complete and the governing body shall not schedule the public hearing on the application for replacement of a qualifying structure as required under RSA 79-E:4, II until the inventory form and the letter, as well as all other required information, have been submitted.

II. Upon receipt of an application, the governing body shall hold a duly noticed public hearing to take place no later than 60 days from receipt of the application, to determine whether the structure at issue is a qualifying structure; whether any proposed rehabilitation qualifies as substantial rehabilitation; and whether there is a public benefit to granting the requested tax relief and, if so, for what duration.

III. No later than 45 days after the public hearing, the governing body shall render a decision granting or denying the requested tax relief and, if so granting, establishing the tax relief period.

IV. (a) The governing body may grant the tax relief, provided:

(1) The governing body finds a public benefit under RSA 79-E:7; and

(2) The specific public benefit is preserved through a covenant under RSA 79-E:8; and

(3) The governing body finds that the proposed use is consistent with the municipality's master plan or development regulations; and

(4) In the case of a replacement, the governing body specifically finds that the local heritage commission or historic district commission or, if such local commissions are not established, the New Hampshire division of historical resources has determined that the replaced qualifying structure does not possess significant historical, cultural, or architectural value, the replacement of the qualifying structure will achieve one or more of the public benefits identified in RSA 79-E:7 to a greater degree than the renovation of the underutilized structure, and the historical, cultural, or architectural resources in the community will not be adversely affected by the replacement. In connection with these findings, the governing body may request that the division of historical resources conduct a technical evaluation in order to satisfy the governing body that historical resources will not be adversely affected.

(b) If the governing body grants the tax relief, the governing body shall identify the specific public benefit achieved under RSA 79-E:7, and shall determine the precise terms and duration of the covenant to preserve the public benefit under RSA 79-E:8.

V. If the governing body, in its discretion, denies the application for tax relief, such denial shall be accompanied by a written explanation. The governing body's decision may be appealed either to the board of tax and land appeals or the superior court in the same manner as provided for appeals of current use classification pursuant to RSA 79-A:9 or 79-A:11 provided, however, that such denial shall be deemed discretionary and shall not be set aside by the board of tax and land appeals or the superior court except for bad faith or discrimination.

VI. Municipalities shall have no obligation to grant an application for tax relief for properties located within tax increment finance districts when the governing body determines, in its sole discretion, that the granting of tax relief will impede, reduce, or negatively affect:

(a) The development program or financing plans for such tax increment finance districts; or

(b) The ability to satisfy or expedite repayment of debt service obligations incurred for a tax increment

financing district; or

(c) The ability to satisfy program administration, operating, or maintenance expenses within a tax increment financing district.

Source. 2006, 167:1. 2009, 200:8-11, eff. July 15, 2009.

Section 79-E:5

79-E:5 Duration of Tax Relief Period. –

I. The governing body may grant such tax assessment relief for a period of up to 5 years, beginning with the completion of the substantial rehabilitation.

I-a. For the approval of a replacement of a qualifying structure, the governing body may grant such tax assessment relief for a period of up to 5 years, beginning only upon the completion of construction of the replacement structure. The governing body may, in its discretion, extend such additional years of tax relief as provided for under this section, provided that no such additional years of tax relief may be provided prior to the completion of construction of the replacement structure. The municipal tax assessment of the replacement structure and the property on which it is located shall not increase or decrease in the period between the approval by the governing body of tax relief for the replacement structure and the time the owner completes construction of the replacement structure and grants to the municipality the covenant to protect the public benefit as required by this chapter. The governing body may not grant any tax assessment relief under this chapter with respect to property and structures for which an election has been made for property appraisal under RSA 75:1-a.

II. The governing body may, in its discretion, add up to an additional 2 years of tax relief for a project that results in new residential units and up to 4 years for a project that includes affordable housing.

III. The governing body may, in its discretion, add up to an additional 4 years of tax relief for the substantial rehabilitation of a qualifying structure that is listed on or determined eligible for listing on the National Register of Historic Places, state register of historic places, or is located within and important to a locally designated historic district, provided that the substantial rehabilitation is conducted in accordance with the U.S. Secretary of Interior's Standards for Rehabilitation.

IV. The governing body may adopt local guidelines to assist it in determining the appropriate duration of the tax assessment relief period.

Source. 2006, 167:1. 2009, 200:12. 2010, 329:4, eff. July 20, 2010.

Section 79-E:6

79-E:6 Resumption of Full Tax Liability. – Upon expiration of the tax relief period, the property shall be taxed at its market value in accordance with RSA 75:1.

Source. 2006, 167:1, eff. April 1, 2006.

Section 79-E:7

79-E:7 Public Benefit. – In order to qualify for tax relief under this chapter, the proposed substantial rehabilitation must provide at least one of the public benefits, and the proposed replacement must provide one or more of the public benefits to a greater degree than would a substantial rehabilitation of the same qualifying structure, as follows:

I. It enhances the economic vitality of the downtown;

II. It enhances and improves a structure that is culturally or historically important on a local, regional, state, or national level, either independently or within the context of an historic district, town center, or village center in which the building is located;

II-a. It promotes the preservation and reuse of existing building stock throughout a municipality by the

rehabilitation of historic structures, thereby conserving the embodied energy in accordance with energy efficiency guidelines established by the U.S. Secretary of the Interior's Standards for Rehabilitation.

III. It promotes development of municipal centers, providing for efficiency, safety, and a greater sense of community, consistent with RSA 9-B; or

IV. It increases residential housing in urban or town centers.

Source. 2006, 167:1. 2009, 200:13, eff. July 15, 2009. 2013, 78:3, eff. April 1, 2013.

Section 79-E:7-a

79-E:7-a Public Benefit Determinations. – Cities or towns may adopt according to the procedure in RSA 79-E:3 provisions that further define the public benefits enumerated in RSA 79-E:7 to assist the governing body in evaluating applications made under this chapter based on local economic conditions, community character, and local planning and development goals.

Source. 2010, 329:5, eff. July 20, 2010.

Section 79-E:8

79-E:8 Covenant to Protect Public Benefit. –

I. Tax relief for the substantial rehabilitation or replacement of a qualifying structure shall be effective only after a property owner grants to the municipality a covenant ensuring that the structure shall be maintained and used in a manner that furthers the public benefits for which the tax relief was granted and as otherwise provided in this chapter.

II. The covenant shall be coextensive with the tax relief period. The covenant may, if required by the governing body, be effective for a period of time up to twice the duration of the tax relief period.

III. The covenant shall include provisions requiring the property owner to obtain casualty insurance, and flood insurance if appropriate. The covenant may include, at the governing body's sole discretion, a lien against proceeds from casualty and flood insurance claims for the purpose of ensuring proper restoration or demolition or damaged structures and property. If the property owner has not begun the process of restoration, rebuilding, or demolition of such structure within one year following damage or destruction, the property owner shall be subject to the termination of provisions set forth in RSA 79-E:9, I.

IV. The local governing body shall provide for the recording of the covenant to protect public benefit with the registry of deeds. It shall be a burden upon the property and shall bind all transferees and assignees of such property.

V. The applicant shall pay any reasonable expenses incurred by the municipality in the drafting, review, and/or execution of the covenant. The applicant also shall be responsible for the cost of recording the covenant.

Source. 2006, 167:1. 2009, 200:14, eff. July 15, 2009.

Section 79-E:9

79-E:9 Termination of Covenant; Reduction of Tax Relief; Penalty. –

I. If the owner fails to maintain or utilize the building according to the terms of the covenant, or fails to restore, rebuild, or demolish the structure following damage or destruction as provided in RSA 79-E:8, III, the governing body shall, after a duly noticed public hearing, determine whether and to what extent the public benefit of the rehabilitation or replacement has been diminished and shall determine whether to terminate or reduce the tax relief period in accordance with such determination. If the covenant is terminated, the governing body shall assess all taxes to the owner as though no tax relief was granted, with interest in accordance with paragraph II.

II. Any tax payment required under paragraph I shall be payable according to the following procedure:

(a) The commissioner of the department of revenue administration shall prescribe and issue forms to the

local assessing officials for the payment due, which shall provide a description of the property, the market value assessment according to RSA 75:1, and the amount payable.

(b) The prescribed form shall be prepared in quadruplicate. The original, duplicate, and triplicate copy of the form shall be given to the collector of taxes for collection of the payment along with a special tax warrant authorizing the collector to collect the payment under the warrant. The quadruplicate copy of the form shall be retained by the local assessing officials for their records.

(c) Upon receipt of the special tax warrant and prescribed forms, the tax collector shall mail the duplicate copy of the tax bill to the owner responsible for the tax as the notice of payment.

(d) Payment shall be due not later than 30 days after the mailing of the bill. Interest at the rate of 18 percent per annum shall be due thereafter on any amount not paid within the 30-day period. Interest at 12 percent per annum shall be charged upon all taxes that would have been due and payable on or before December 1 of each tax year as if no tax relief had been granted.

Source. 2006, 167:1. 2009, 200:15, eff. July 15, 2009.

Section 79-E:10

79-E:10 Lien for Unpaid Taxes. – The real estate of every person shall be held for the taxes levied pursuant to RSA 79-E:9.

Source. 2006, 167:1, eff. April 1, 2006.

Section 79-E:11

79-E:11 Enforcement. – All taxes levied pursuant to RSA 79-E:9 which are not paid when due shall be collected in the same manner as provided in RSA 80.

Source. 2006, 167:1. 2007, 42:3, eff. July 20, 2007.

Section 79-E:12

79-E:12 Rulemaking. – The commissioner of the department of revenue administration shall adopt rules, pursuant to RSA 541-A, relative to the payment and collection procedures under RSA 79-E:9.

Source. 2006, 167:1, eff. April 1, 2006.

Section 79-E:13

79-E:13 Extent of Tax Relief. –

I. (a) Tax relief granted under this chapter shall pertain only to assessment increases attributable to the substantial rehabilitation performed under the conditions approved by the governing body and not to those increases attributable to other factors including but not limited to market forces; or

(b) Tax relief granted under this chapter shall be calculated on the value in excess of the original assessed value. Original assessed value shall mean the value of the qualifying structure assessed at the time the governing body approves the application for tax relief and the owner grants to the municipality the covenant to protect public benefit as required in this chapter, provided that for a qualifying structure which is a building destroyed by fire or act of nature, original assessed value shall mean the value as of the date of approval of the application for tax relief of the qualifying structure that would have existed had the structure not been destroyed.

II. The tax relief granted under this chapter shall only apply to substantial rehabilitation or replacement that commences after the governing body approves the application for tax relief and the owner grants to the municipality the covenant to protect the public benefit as required in this chapter, provided that in the case of a

qualifying structure which is a building destroyed by fire or act of nature, and which occurred within 15 years prior to the adoption of the provisions of this chapter by the city or town, the tax relief may apply to such qualifying structure for which replacement has begun, but which has not been completed, on the date the application for relief under this chapter is approved.

Source. 2006, 167:1. 2010, 329:6. 2011, 237:3, eff. July 5, 2011.

Section 79-E:14

79-E:14 Other Programs. – The provisions of this chapter shall not apply to properties whose rehabilitation or construction is subsidized by state or federal grants or funds that do not need to be repaid totaling more than 50 percent of construction costs from state or federal programs.

Source. 2006, 167:1, eff. April 1, 2006.

TOWN OF BRISTOL
NEW HAMPSHIRE



RSA 79-E - APPLICATION FOR COMMUNITY REVITALIZATION
TAX RELIEF INCENTIVE

On March 14, 2015, Bristol voters approved the adoption of RSA 79-E which will provide temporary TAX RELIEF for property owners to revitalize their buildings in the Historic Overlay District and the Downtown Commercial District. RSA 79-E allows the property owner to apply to the Select Board to delay the increases in taxes dependent on the extent and type of revitalization. It is the responsibility of the applicant to read and understand the information contained in the application.

Community Revitalization Tax Relief Incentive Application Instructions

Instructions to the Applicant:

The following documents contain everything you need to complete your application for tax relief to revitalize your building. Please read everything carefully. The application materials are based upon the requirements set by State Law. You will need to fill out the application, take part in a public hearing with the Select Board, and execute a covenant with the Town. If you have any questions with the application, the process, or what to expect, please contact the Assessing / Land Use Manager at (603) 744-3354 x 112 or email jbailey@bristolnh.gov

Included in this application packet:

1. Fact Sheet
2. Flow Chart of Process from NH Preservation Alliance
3. Part 1 – Additional Instructions to Applicant
4. Part 2 - Application Form
5. Part 3 – Template - Covenant to Protect Public Benefit
6. Part 4 – Chapter RSA 79-E Statute (to be read and understood by the applicant at the time of application)
7. Part 5 – Revitalization Map
8. Covenant to Protect Public Benefit Template

Thank you for your interest in RSA 79-E, and good luck with your application and your restoration project.

The Bristol Select Board

**Town Of Bristol
Select Board**

RSA 79-E, Community Revitalization Tax Relief Incentive: Fact Sheet

This legislation encourages investment in central business districts, neighborhood business districts, downtowns, and village centers. Its goal is to encourage the rehabilitation and active reuse of under-utilized buildings and, in so doing, to

- Promote strong local economies and,
- Promote smart, sustainable growth, as an alternative to sprawl, in accordance with the purpose and objectives of RSA Ch. 9-B (State Economic Growth, Resource Protection, and Planning Policy)

How it works:

- In a municipality that has adopted this enabling legislation, a property owner who wants to substantially rehabilitate a building located in a designated district may apply to the local governing body for a period of temporary tax relief.
- The temporary tax relief, if granted, would consist of a finite period of time during which the property tax on the structure would not increase as a result of its substantial rehabilitation. In exchange for the relief, the property owner grants a covenant ensuring there is a public benefit to the rehabilitation.
- Following expiration of the finite tax relief period, the structure would be taxed at its full market value taking into account the rehabilitation.

The legislation offers strong community process and discretion:

- Any city or town may adopt this program with the majority vote of its legislative body.
- Applications by property owners are made to the governing body and are accompanied by a public notice and public hearing.
- The governing body may grant tax relief if the application meets the guidelines and public benefit test.
- The governing body may deny the application in its discretion: "such denial shall be deemed discretionary and shall not be set aside by the Board of Tax and Land Appeals or the Superior Court except for bad faith or discrimination." (79-E:4 V)

Qualifying properties:

A property owner can apply for the tax relief only if:

- The building is located in the Historic Overlay District or Downtown Commercial District.
- The rehabilitation costs at least 15% of the building's pre-rehab assessed value, or \$75,000, whichever is less, and
- The rehabilitation is consistent with the municipality's Master Plan or development regulations.



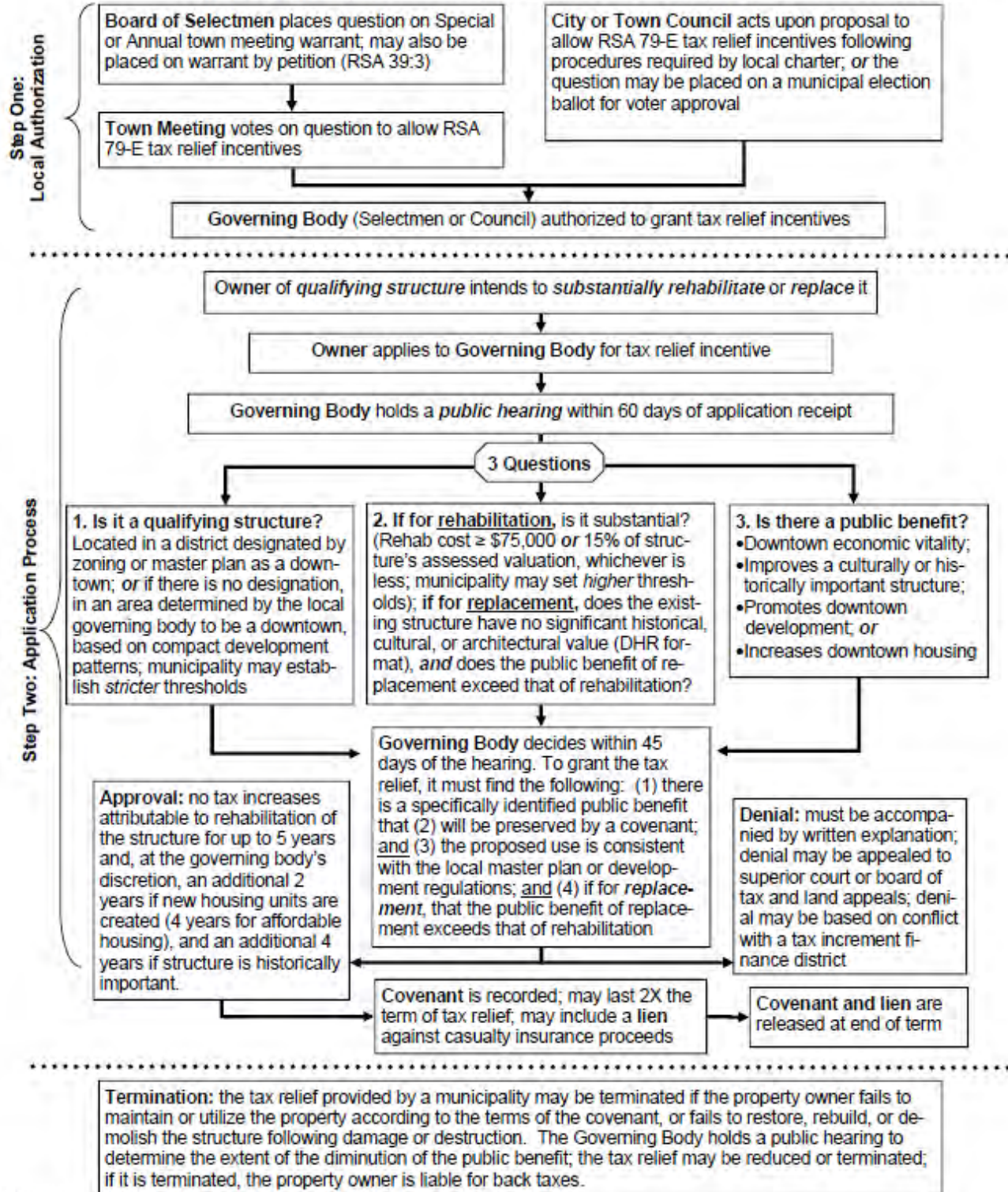
RSA 79-E: Community Revitalization Tax Relief Incentive

2009 Statute Revision: Allows for replacement of structures, in addition to rehabilitation; local legislative body must re-adopt the law if it wants to use this new power.

2010 Statute Revision: Allows for stricter local standards to identify "qualifying structures" and for higher local thresholds for costs of rehabilitation.

2011 Statute Revision: Allows for replacement of buildings destroyed by fire within 15 years prior to local adoption.

2013 Statute Revision: Allows statute to apply to structures listed on or eligible for the National or State Registers.



Part 1 – Additional Instructions to the Applicant

1. An owner of a qualifying structure who intends to substantially rehabilitate or replace such structure may apply to the Bristol Select Board through the Assessing Office. The applicant shall file a complete application form including the address of the property, a description of the intended rehabilitation or replacement, any changes in use of the property resulting from the rehabilitation or replacement, and the required non-refundable application fee of \$200.00.

In order to assist the Bristol Select Board with the review and evaluation of an application for replacement of a qualifying structure, an owner shall submit to the Board, as part of the application, a New Hampshire Division of Historical Resources Individual Resource Inventory Form, prepared by a qualified architectural historian and if the qualifying structure is located within a designated Historic District established in accordance with NH RSA 674:46, a letter from the Bristol Historic District Commission that identifies any and all historical, cultural, and architectural value of the structure or structures that are proposed to be replaced and the property on which the structure(s) are located.

The application for tax relief shall not be deemed to be complete and the Bristol Select Board shall not schedule the public hearing on the application for replacement of a qualifying structure as required under NH RSA 79-E: 4, II until the inventory form and letter, as well as other required information, have been submitted.

2. Upon Receipt, the application will be reviewed by the Bristol Select Board and any other Town official deemed appropriate. The applicant must satisfactorily answer any questions they may have for the application to be deemed complete.
3. The Bristol Select Board will hold a duly noticed public hearing to take place no later than 60 days from receipt of an application, to determine whether the structure at issue is a qualifying structure; whether the proposed rehabilitation qualifies as a substantial rehabilitation; and whether there is a public benefit to granting the requested tax relief and, if so, for what duration.
4. No later than 45 days after the public hearing, the Bristol Select Board shall enter a decision, granting or denying the requested tax relief and, if so granting, establishing a tax relief period.
5. The Bristol Select Board may grant the tax relief, provided:
 - a. The Bristol Select Board grants the request by a majority vote; and
 - b. The Bristol Select Board finds a public benefit under RSA 79-E:7; and
 - c. The specific public benefit is preserved through a covenant under RSA 79-E:8; and
 - d. The Bristol Select Board finds that the proposed use is consistent with the municipality's Master Plan, Zoning Ordinance, and development/land use regulations; and
 - e. In the case of a replacement, the Bristol Select Board specifically finds that the Bristol Historic District Commission has determined that the replaced qualifying structure does not possess significant historical, cultural, or architectural value, the replacement

of a qualifying structure will achieve one or more of the public benefits identified in RSA 79-E:7 to a greater degree than the renovation of the under-utilized structure, and the historical, cultural, or architectural resources in the community will not be adversely affected by the replacement.

6. If the Bristol Select Board grants the tax relief, they shall identify the specific public benefit achieved under RSA 79-E:7 and shall determine the precise terms and duration of the covenant to preserve the public benefit under RSA 79-E:8.
7. If the Bristol Select Board, in its discretion, denies the application for tax relief, such denial shall be accompanied by a written explanation. The Bristol Select Board's decision may be appealed either to the Board of Tax and Land Appeals or the Superior Court in the same manner as provided for appeals of current use classification pursuant to RSA 79-A:9 or 70-A:11 provided, however, that such denial shall be deemed discretionary and shall not be set aside by the Board of Tax and Land Appeals or the Superior Court except for bad faith or discrimination.

Part 2 – Application Form

Town of Bristol

**Community Revitalization Tax Relief Incentive (RSA 79-E)
APPLICATION FORM**

OFFICE USE ONLY
(DO NOT WRITE IN SHADED AREAS)

Date Application Submitted: _____ Received by: _____

Building Information

Building Name (if any): _____

Building Address: _____

Tax Map: _____ Lot: _____ GCRD Book: _____ Page: _____

Contact throughout this application process will be made through the applicant listed below.

The property owner may designate an agent as the coordinator for the project. This person (the applicant) shall attend public hearings, will receive comments, staff reports, and will communicate all case information to other parties as required.

The Property Owner may act as the Applicant. If so, list under Applicant's Name, "Owner", and complete owner's information as requested.

Applicant's Name: _____

Address: _____

Town: _____ State: _____ Zip: _____

Phone: _____ Fax: _____

Email: _____

Owner's Name: _____

Address: _____

Town: _____ State: _____ Zip: _____

Phone: _____ Fax: _____

Email: _____

Existing Building Information

Existing Uses (describe current use, size, and number of employees): _____

Gross Square Footage of Building: _____ Year Building was Built: _____

Is the building listed on or eligible for listing on the National Register of Historic Places?

Yes No

Is the building listed on or eligible for listing on the state register of historic places?

Yes No

Is the building located within and important to the RSA 79-E district as defined on page 2?

Yes No

Project Description

Proposed Uses (describe use, size, and number of employees): _____

Is this a change of use associated with this project? Yes No

Will the project include new residential units? Yes No

Will the project include affordable residential units? Yes No

Please describe: _____

Has an abatement application been filed or has an abatement been awarded on this property within the past year?

Yes No

Will any State or Federal grants be used with this project? Yes No

If yes, describe and detail any terms of repayment: _____

Replacement of Qualifying Structure

Does the project involve the replacement of a qualifying structure? Yes

No If yes, the owner shall submit with this application the following:

1. A New Hampshire Division of Historical Resources Individual Resource Inventory Form, prepared by a qualified architectural historian.
2. A letter from the Francestown Heritage Commission that identifies any and all historical, cultural, and architectural value of the structure or structures that are proposed to be replace and the property on which those structures are located.

Note: The application for tax relief shall not be deemed to be complete and the governing body shall not schedule the public hearing on the application for replacement of a qualifying structure as required under RSA 79-E:4, II until the inventory form and the letter, as well as all other required information, have been submitted, if required.

Public Benefit (RSA 79-E:7)

In order to qualify for tax relief under this program, the proposed substantial rehabilitation must provide at least one of the public benefits listed below. Any proposed replacement must provide one or more of the public benefits listed below to a greater degree than would a substantial rehabilitation of the same qualifying structure.

Does the project provide the following public benefits? (Check all that apply)

- Enhances the economic vitality of the designated area. Yes No
If yes, please describe: _____

- Enhances and improves a culturally or historically important structure. Yes No
If yes, please describe: _____

- Promotes development of the designated area, providing for efficiency, safety, and a greater sense of community, consistent with RSA 9-B. Yes No
If yes, please describe: _____

- It increases residential housing in the Historic or Downtown Commercial District? Yes No
If yes, please describe: _____

- Other issues and matters applicant deems relevant to this request:

Substantial Rehabilitation

Describe the work to be done and estimated costs.

1. Attach additional sheets if necessary and any written construction estimates.
2. Attach any project narratives, plot plans, building plans, sketches, renderings, or photographs that will help explain this application.

Structural: _____

\$

Electrical: _____

\$

Plumbing/Heating: _____

\$

Mechanical: _____

\$

Other: _____

\$

Total Estimated Project Cost: \$

Expected project start date: _____

Expected project completion date: _____

Applicant / Owner Signature

The undersigned hereby certifies the foregoing information is true and correct:

Signature

(printed name)

Date

Signature

(printed name)

Date

Signature

(printed name)

Date

Signature

(printed name)

Date

Appendix E. Examples Of RSA 79-E Covenants

Part 3 – Template – Covenant to Protect Public Benefit

PART 3: N.H. RSA 79-E COVENANT TO PROTECT PUBLIC BENEFIT

TOWN OF BRISTOL, NEW HAMPSHIRE
COVENANT TO PROTECT PUBLIC BENEFIT
Per RSA 79-E:8 (Community Revitalization Tax Relief Incentive)

I (We) _____ [name] of _____ [address], Bristol, NH 03222 (hereinafter referred to, collectively, if appropriate, as "GRANTOR") owner(s) of _____ [property] situate at _____ [address], Bristol, NH (hereinafter referred to as the "PROPERTY"), for (myself/ourselves/itself) and for (my/our/it's) successors and assigns, for consideration of tax relief granted to GRANTOR by GRANTEE pursuant to the provisions of RSA 79-E, agree to the following covenants imposed by the Town of Bristol, (hereinafter referred to as "GRANTEE"), 230 Lake Street, County of Grafton, State of New Hampshire.

These covenants are made in exchange for property tax relief granted with respect to the PROPERTY as a result of the substantial rehabilitation of the PROPERTY to be accomplished by the GRANTOR in accordance with GRANTOR proposal (specific approved scope of work is attached as "CHAPTER 79-E COMMUNITY REVITALIZATION TAX RELIEF INCENTIVE ADDENDUM") approved by GRANTEE on _____ [date of Select Board approval].

This COVENANT is to protect the public benefit in accordance with the provisions of RSA 79-E for a term of _____ [number of year] years, beginning on April first of the first tax year commencing immediately after the completion of the rehabilitation work. Notwithstanding the foregoing, the contemplated tax relief shall be null and void if the proposed rehabilitation work is not completed by March 31st _____ [deadline year for completion].

The PROPERTY is designated as a portion of Tax Map [number] Lot [number] in the Town of Bristol. For further reference to GRANTOR'S title, see deed recorded at Book [reference], Page [reference], Grafton County Registry of Deeds.

The GRANTEE agrees that the PROPERTY, if substantially rehabilitated in accordance with GRANTOR'S proposal approved by GRANTEE on [date of Select Board approval] provides a demonstrated public benefit in accordance with the provisions of RSA 79-E:7 inasmuch as the substantial rehabilitation of said property:

- I. Enhances the economic vitality of the Historic Overlay District and the Downtown Commercial District.
- II. Enhances or improves a structure that is culturally or historically important on a local, regional, state, or national level, either independently or within the context of an historic district, town center, or village center in which the building is located.
- III. Promotes development of the Historic Overlay District and the Downtown Commercial District, providing for efficiency, safety and a greater sense of community consistent with RSA 9-B.
- IV. Increases residential housing diversity and opportunities.

The Town of Bristol Select Board held a public hearing on _____ [date of Select Board approval] and at that meeting made the following findings consistent with and required by RSA 79-E: 7 & 8. The terms of the COVENANT which is hereby granted by the GRANTOR to the GRANTEE with respect to the above described PROPERTY are to be co-extensive with the tax relief period and are as follows:

SUMMARY OF FINDINGS.

(Insert summary of findings if desired).

GRANTOR'S COVENANTS.

REHABILITATION OF PROPERTY. The Grantor agrees to substantially rehabilitate the PROPERTY during the term of this Agreement in accordance with GRANTOR'S proposal approved by GRANTEE on _____ [date of Select Board approval]. The substantial rehabilitation contemplated by GRANTOR'S proposal approved by GRANTEE on _____ [date of Select Board approval] shall be completed by the GRANTOR on or before March 31, _____ [deadline year]. All of the work on the attached scope of work must be completed in order for the tax relief to take effect. If only some of the work on the attached scope of work is completed prior to March 31, _____ [upcoming year] or March 31, _____ [following year], then the PROPERTY shall be fully assessed for the value of that work during the tax year(s) commencing [upcoming year] and/or _____ [following year].

MAINTENANCE OF THE PROPERTY. The GRANTOR agrees to maintain, use and keep the structure in a condition that furthers the public benefits for which the tax relief was granted and accepted during the term of the tax relief under RSA 79-E.

(Insert any particular restrictions such a signage, maintenance of building and its surroundings, other structure and so forth, as may be agreed upon between the Grantor and Grantee.)

REQUIRED INSURANCE, USE OF INSURANCE PROCEEDS, AND TIMEFRAME TO REPLACE OR REMOVE DAMAGED PROPERTY. The GRANTOR agrees and is required to obtain and maintain casualty insurance, as well as flood insurance, if appropriate. As permitted by RSA 79-E:8, this COVENANT shall be a lien against proceeds from casualty and flood insurance claims for the purpose of ensuring proper restoration or demolition of damaged structures and property. The GRANTEE further requires that the restoration or demolition commence within one year following any insurance claim incident; otherwise the GRANTOR shall be subject to the termination provisions set forth in RSA 79-E:9, I.

RECORDING. The GRANTEE agrees to and shall provide for the recording of this COVENANT with the Grafton County Registry of Deeds. It shall be a burden upon the PROPERTY and bind all transferees and assignees of such PROPERTY. The GRANTOR will be solely responsible for payment of the recording fees.

ASSESSMENT OF THE PROPERTY. The GRANTEE agrees that the PROPERTY shall be assessed, during the term of the Tax Relief Granted based on the pre-rehabilitation value or such other value utilized by the Assessor to address improvements not covered by RSA 79-E. If the terms of these covenants are not met, the Property Tax Relief will be discontinued. Furthermore, the GRANTEE will assess all taxes to the owner as though no tax relief was granted, with interest in accordance with RSA 79-E:9, II.

RELEASE, EXPIRATION, CONSIDERATION.

- I. RELEASE. The GRANTOR may apply to the local governing body of the Town of Bristol for a release from the foregoing discretionary tax relief and associated COVENANT within the duration of the tax relief period of the RSA 79-E upon a demonstration of extreme personal hardship. Upon release from such covenants, the GRANTOR shall thereafter pay the full value assessment of such structure(s) and land to the Tax Collector of the Town of Bristol.
- II. EXPIRATION. Upon final expiration of the terms of the tax relief and associated covenants the tax assessment will convert to the then full fair market value and these covenants will be concluded.
- III. CONSIDERATION. The Tax Collector shall issue a summary receipt to the owner of such PROPERTY and a copy of the governing body of the Town of Bristol for the sums of tax relief accorded during the term of this Agreement. The local governing body shall, upon receiving a copy of the above-mentioned consideration, execute a release of the COVENANT to the GRANTOR who shall record such a release with the Grafton County Registry of Deeds. A copy of such release or renewal shall also be sent to the local assessing official.
- IV. MAINTENANCE OF STRUCTURE. If, during the term of the tax relief, the GRANTOR shall fail to maintain the structure in conformity with the foregoing agreement, or shall cause the structure(s) to significantly deteriorate or be demolished or removed, the covenants shall be terminated and a penalty shall be assessed in accordance with Paragraph I above.

ENFORCEMENT. If a breach of this COVENANT is brought to the attention of the GRANTEE, the GRANTEE shall notify the GRANTOR, in writing of such breach, which notification shall be delivered in hand or by certified mail, return receipt requested to the GRANTOR.

The GRANTOR shall have 30 days after receipt of such notice to undertake those actions, including restorations, which are reasonably calculated to cure the said breach and to notify the GRANTEE thereof.

If the GRANTOR fails to take such curative action, the GRANTEE may undertake any actions that are reasonably necessary to cure such breach, and the cost thereof, including GRANTEE'S expenses, court costs and legal fees, shall be paid by the GRANTOR, provided the said GRANTOR is determined to be directly or indirectly responsible for the breach.

The GRANTOR, by accepting and recording this COVENANT to the GRANTOR agrees to be bound by and to observe and enforce the provisions hereof and assumes the rights and responsibilities herein provided for and incumbent upon the GRANTEE, all in furtherance the purposes for which this Tax Relief and associated COVENANT is delivered.

WITNESS MY/OUR/IT'S HAND this _____ day of _____, 20_____.

Witness:

Grantor:

Print Name:

Witness:

Grantor:

Print Name:

STATE OF NEW HAMPSHIRE
COUNTY OF GRAFTON

On this _____ day of _____, 20_____, personally appeared the above
_____ and _____, known to me, or
satisfactorily proven, to be the same, and acknowledged that he/she/they executed the same for
the purposes contained therein.

Notary Public/Justice of the Peace

My commission expires:

ACCEPTED this _____ day of _____, 20____ by the Town of BRISTOL.

TOWN OF BRISTOL

By: _____
Bristol Town Administrator
(Or other authorized designee)

Print Name: _____

PART 4: Text of RSA 79-E

**CHAPTER 79-E
COMMUNITY REVITALIZATION TAX RELIEF INCENTIVE**

Section 79-E:1

79-E:1 Declaration of Public Benefit. –

I. It is declared to be a public benefit to enhance downtowns and town centers with respect to economic activity, cultural and historic character, sense of community, and in-town residential uses that contribute to economic and social vitality.

II. It is further declared to be a public benefit to encourage the rehabilitation of the many underutilized structures in urban and town centers as a means of encouraging growth of economic, residential, and municipal uses in a more compact pattern, in accordance with RSA 9-B.

II-a. In instances where a qualifying structure is determined to possess no significant historical, cultural, or architectural value and for which the governing body makes a specific finding that rehabilitation would not achieve one or more of the public benefits established in RSA 79-E:7 to the same degree as the replacement of the underutilized structure with a new structure, the tax relief incentives provided under this chapter may be extended to the replacement of an underutilized structure in accordance with the provisions of this chapter.

II-b. It is further declared to be a public benefit to encourage the rehabilitation of historic structures in a municipality by increasing energy efficiency in the preservation and reuse of existing building stock.

III. Short-term property assessment tax relief and a related covenant to protect public benefit as provided under this chapter are considered to provide a demonstrated public benefit if they encourage substantial rehabilitation and use of qualifying structures, or in certain cases, the replacement of a qualifying structure, as defined in this chapter.

Source. 2006, 167:1. 2009, 200:3, 4, eff. July 15, 2009. 2013, 78:1, eff. April 1, 2013.

Section 79-E:2

79-E:2 Definitions. – In this chapter:

I. "Historic structure" means a building that is listed on or determined eligible for listing on the National Register of Historic Places or the state register of historic places.

II. "Qualifying structure" means a building located in a district officially designated in a municipality's master plan, or by zoning ordinance, as a downtown, town center, central business district, or village center, or, where no such designation has been made, in a geographic area which, as a result of its compact development patterns and uses, is identified by the governing body as the downtown, town center, or village center for purposes of this chapter. Qualifying structure shall also mean historic structures in a municipality whose preservation and reuse would conserve the embodied energy in existing building stock. Cities or towns may further limit "qualifying structure" according to the procedure in RSA 79-E:3 as meaning only a structure located within such districts that meet certain age, occupancy, condition, size, or other similar criteria consistent with local economic conditions, community character, and local planning and development goals. Cities or towns may further modify "qualifying structure" to include buildings that have been destroyed by fire or act of nature, including where such destruction occurred within 15 years prior to the adoption of the provisions of this chapter by the city or town.

III. "Replacement" means the demolition or removal of a qualifying structure and the construction of a new structure on the same lot.

IV. "Substantial rehabilitation" means rehabilitation of a qualifying structure which costs at least 15 percent of the pre-rehabilitation assessed valuation or at least \$75,000, whichever is less. In addition, in the case of historic structures, substantial rehabilitation means devoting a portion of the total cost, in the amount of at least 10 percent of the pre-rehabilitation assessed valuation or at least \$5,000, whichever is less, to energy efficiency in accordance with the U.S. Secretary of the Interior's Standards for Rehabilitation. Cities or towns may further limit "substantial rehabilitation" according to the procedure in RSA 79-E:3 as meaning rehabilitation which costs a percentage greater than 15 percent of pre-rehabilitation assessed valuation or an amount greater than \$75,000 based on local economic conditions, community character, and local planning and development goals.

V. "Tax increment finance district" means any district established in accordance with the provisions of RSA 162-K.

VI. "Tax relief" means:

(a) For a qualifying structure, that for a period of time determined by a local governing body in accordance with this chapter, the property tax on a qualifying structure shall not increase as a result of the substantial rehabilitation thereof.

(b) For the replacement of a qualifying structure, that for a period of time determined by a local governing body in accordance with this chapter, the property tax on a replacement structure shall not exceed the property tax on the replaced qualifying structure as a result of the replacement thereof.

(c) For a qualifying structure which is a building destroyed by fire or act of nature, that for a period of time determined by a local governing body in accordance with this chapter, the property tax on such qualifying structure shall not exceed the tax on the assessed value of the structure that would have existed had the structure not been destroyed.

VII. "Tax relief period" means the finite period of time during which the tax relief will be effective, as determined by a local governing body pursuant to RSA 79-E:5.

Source. 2006, 167:1. 2009, 200:5-7. 2010, 329:1, 2. 2011, 237:1, 2, eff. July 5, 2011. 2013, 78:2, eff. April 1, 2013.

Section 79-E:3

79-E:3 Adoption of Community Revitalization Tax Relief Incentive Program –

I. Any city or town may adopt or modify the provisions of this chapter by voting whether to accept for consideration or modify requirements for requests for community revitalization tax relief incentives. Any city or town may do so by following the procedures in this section.

II. In a town, other than a town that has adopted a charter pursuant to RSA 49-D, the question shall be placed on the warrant of a special or annual town meeting, by the governing body or by petition under RSA 39:3.

III. In a city or town that has adopted a charter under RSA 49-C or RSA 49-D, the legislative body may consider and act upon the question in accordance with its normal procedures for passage of resolutions, ordinances, and other legislation. In the alternative, the legislative body of such municipality may vote to place the question on the official ballot for any regular municipal election.

IV. If a majority of those voting on the question vote "yes," applications for community revitalization tax relief incentives may be accepted and considered by the local governing body at any time thereafter, subject to the provisions of paragraph VI of this section.

V. If the question is not approved, the question may later be voted on according to the provisions of paragraph II or III of this section, whichever applies.

VI. The local governing body of any town or city that has adopted this program may consider rescinding its action in the manner described in paragraph II or III of this section, whichever applies. A vote terminating the acceptance and consideration of such applications shall have no effect on incentives previously granted by the city or town, nor shall it terminate consideration of applications submitted prior to the date of such vote.

Section 79-E:4

79-E:4 Community Revitalization Tax Relief Incentive. –

I. An owner of a qualifying structure who intends to substantially rehabilitate or replace such structure may apply to the governing body of the municipality in which the property is located for tax relief. The applicant shall include the address of the property, a description of the intended rehabilitation or replacement, any changes in use of the property resulting from the rehabilitation or replacement, and an application fee.

I-a. In order to assist the governing body with the review and evaluation of an application for replacement of a qualifying structure, an owner shall submit to the governing body as part of the application, a New Hampshire division of historical resources individual resource inventory form, prepared by a qualified architectural historian and a letter issued by the local heritage commission and if the qualifying structure is located within a designated historic district established in accordance with RSA 674:46, a letter from the historic district commission or, if such local commissions are not established, a letter issued by the New Hampshire division of historical resources that identifies any and all historical, cultural, and architectural value of the structure or structures that are proposed to be replaced and the property on which those structures are located. The application for tax relief shall not be deemed to be complete and the governing body shall not schedule the public hearing on the application for replacement of a qualifying structure as required under RSA 79-E:4, II until the inventory form and the letter, as well as all other required information, have been submitted.

II. Upon receipt of an application, the governing body shall hold a duly noticed public hearing to take place no later than 60 days from receipt of the application, to determine whether the structure at issue is a qualifying structure; whether any proposed rehabilitation qualifies as substantial rehabilitation; and whether there is a public benefit to granting the requested tax relief and, if so, for what duration.

III. No later than 45 days after the public hearing, the governing body shall render a decision granting or denying the requested tax relief and, if so granting, establishing the tax relief period.

IV. (a) The governing body may grant the tax relief, provided:

(1) The governing body finds a public benefit under RSA 79-E:7; and

(2) The specific public benefit is preserved through a covenant under RSA 79-E:8; and

(3) The governing body finds that the proposed use is consistent with the municipality's master plan or development regulations; and

(4) In the case of a replacement, the governing body specifically finds that the local heritage commission or historic district commission or, if such local commissions are not established, the New Hampshire division of historical resources has determined that the replaced qualifying structure does not possess significant historical, cultural, or architectural value, the replacement of the qualifying structure will achieve one or more of the public benefits identified in RSA 79-E:7 to a greater degree than the renovation of the underutilized structure, and the historical, cultural, or architectural resources in the community will not be adversely affected by the replacement. In connection with these findings, the governing body may request that the division of historical resources conduct a technical evaluation in order to satisfy the governing body that historical resources will not be adversely affected.

(b) If the governing body grants the tax relief, the governing body shall identify the specific public benefit achieved under RSA 79-E:7, and shall determine the precise terms and duration of the covenant to preserve the public benefit under RSA 79-E:8.

V. If the governing body, in its discretion, denies the application for tax relief, such denial shall be accompanied by a written explanation. The governing body's decision may be appealed either to the board of tax and land appeals or the superior court in the same manner as provided for appeals of current use classification pursuant to RSA 79-A:9 or 79-A:11 provided, however, that such denial shall be deemed discretionary and shall not be set aside by the board of tax and land appeals or the superior court except for bad faith or discrimination.

VI. Municipalities shall have no obligation to grant an application for tax relief for properties located within tax increment finance districts when the governing body determines, in its sole discretion, that the granting of tax relief will impede, reduce, or negatively affect:

- (a) The development program or financing plans for such tax increment finance districts; or
- (b) The ability to satisfy or expedite repayment of debt service obligations incurred for a tax increment financing district; or
- (c) The ability to satisfy program administration, operating, or maintenance expenses within a tax increment financing district.

Source. 2006, 167:1. 2009, 200:8-11, eff. July 15, 2009.

Section 79-E:5

79-E:5 Duration of Tax Relief Period. –

I. The governing body may grant such tax assessment relief for a period of up to 5 years, beginning with the completion of the substantial rehabilitation.

I-a. For the approval of a replacement of a qualifying structure, the governing body may grant such tax assessment relief for a period of up to 5 years, beginning only upon the completion of construction of the replacement structure. The governing body may, in its discretion, extend such additional years of tax relief as provided for under this section, provided that no such additional years of tax relief may be provided prior to the completion of construction of the replacement structure. The municipal tax assessment of the replacement structure and the property on which it is located shall not increase or decrease in the period between the approval by the governing body of tax relief for the replacement structure and the time the owner completes construction of the replacement structure and grants to the municipality the covenant to protect the public benefit as required by this chapter. The governing body may not grant any tax assessment relief under this chapter with respect to property and structures for which an election has been made for property appraisal under RSA 75:1-a.

II. The governing body may, in its discretion, add up to an additional 2 years of tax relief for a project that results in new residential units and up to 4 years for a project that includes affordable housing.

III. The governing body may, in its discretion, add up to an additional 4 years of tax relief for the substantial rehabilitation of a qualifying structure that is listed on or determined eligible for listing on the National Register of Historic Places, state register of historic places, or is located within and important to a locally designated historic district, provided that the substantial rehabilitation is conducted in accordance with the U.S. Secretary of Interior's Standards for Rehabilitation.

IV. The governing body may adopt local guidelines to assist it in determining the appropriate duration of the tax assessment relief period.

Source. 2006, 167:1. 2009, 200:12. 2010, 329:4, eff. July 20, 2010.

Section 79-E:6

79-E:6 Resumption of Full Tax Liability. – Upon expiration of the tax relief period, the property shall be taxed at its market value in accordance with RSA 75:1.

Source. 2006, 167:1, eff. April 1, 2006.

Section 79-E:7

79-E:7 Public Benefit. – In order to qualify for tax relief under this chapter, the proposed substantial rehabilitation must provide at least one of the public benefits, and the proposed replacement must provide one or more of the public benefits to a greater degree than would a substantial rehabilitation of the same qualifying structure, as follows:

- I. It enhances the economic vitality of the downtown;

II. It enhances and improves a structure that is culturally or historically important on a local, regional, state, or national level, either independently or within the context of an historic district, town center, or village center in which the building is located;

II-a. It promotes the preservation and reuse of existing building stock throughout a municipality by the rehabilitation of historic structures, thereby conserving the embodied energy in accordance with energy efficiency guidelines established by the U.S. Secretary of the Interior's Standards for Rehabilitation.

III. It promotes development of municipal centers, providing for efficiency, safety, and a greater sense of community, consistent with RSA 9-B; or

IV. It increases residential housing in urban or town centers.

Source. 2006, 167:1. 2009, 200:13, eff. July 15, 2009. 2013, 78:3, eff. April 1, 2013.

Section 79-E:7-a

79-E:7-a Public Benefit Determinations. – Cities or towns may adopt according to the procedure in RSA 79-E:3 provisions that further define the public benefits enumerated in RSA 79-E:7 to assist the governing body in evaluating applications made under this chapter based on local economic conditions, community character, and local planning and development goals.

Source. 2010, 329:5, eff. July 20, 2010.

Section 79-E:8

79-E:8 Covenant to Protect Public Benefit. –

I. Tax relief for the substantial rehabilitation or replacement of a qualifying structure shall be effective only after a property owner grants to the municipality a covenant ensuring that the structure shall be maintained and used in a manner that furthers the public benefits for which the tax relief was granted and as otherwise provided in this chapter.

II. The covenant shall be coextensive with the tax relief period. The covenant may, if required by the governing body, be effective for a period of time up to twice the duration of the tax relief period.

III. The covenant shall include provisions requiring the property owner to obtain casualty insurance, and flood insurance if appropriate. The covenant may include, at the governing body's sole discretion, a lien against proceeds from casualty and flood insurance claims for the purpose of ensuring proper restoration or demolition of damaged structures and property. If the property owner has not begun the process of restoration, rebuilding, or demolition of such structure within one year following damage or destruction, the property owner shall be subject to the termination of provisions set forth in RSA 79-E:9, I.

IV. The local governing body shall provide for the recording of the covenant to protect public benefit with the registry of deeds. It shall be a burden upon the property and shall bind all transferees and assignees of such property.

V. The applicant shall pay any reasonable expenses incurred by the municipality in the drafting, review, and/or execution of the covenant. The applicant also shall be responsible for the cost of recording the covenant.

Source. 2006, 167:1. 2009, 200:14, eff. July 15, 2009.

Section 79-E:9

79-E:9 Termination of Covenant; Reduction of Tax Relief; Penalty. –

I. If the owner fails to maintain or utilize the building according to the terms of the covenant, or fails to restore, rebuild, or demolish the structure following damage or destruction as provided in RSA 79-E:8, III, the governing body shall, after a duly noticed public hearing, determine whether and to what extent the public benefit of the rehabilitation or replacement has been diminished and shall determine whether to terminate or reduce the tax relief period in accordance with such determination. If the covenant is terminated, the governing body shall assess all taxes to the owner as though no tax relief was granted, with interest in accordance with paragraph II.

II. Any tax payment required under paragraph I shall be payable according to the following procedure:

(a) The commissioner of the department of revenue administration shall prescribe and issue forms to the local assessing officials for the payment due, which shall provide a description of the property, the market value assessment according to RSA 75:1, and the amount payable.

(b) The prescribed form shall be prepared in quadruplicate. The original, duplicate, and triplicate copy of the form shall be given to the collector of taxes for collection of the payment along with a special tax warrant authorizing the collector to collect the payment under the warrant. The quadruplicate copy of the form shall be retained by the local assessing officials for their records.

(c) Upon receipt of the special tax warrant and prescribed forms, the tax collector shall mail the duplicate copy of the tax bill to the owner responsible for the tax as the notice of payment.

(d) Payment shall be due not later than 30 days after the mailing of the bill. Interest at the rate of 18 percent per annum shall be due thereafter on any amount not paid within the 30-day period. Interest at 12 percent per annum shall be charged upon all taxes that would have been due and payable on or before December 1 of each tax year as if no tax relief had been granted.

Source. 2006, 167:1. 2009, 200:15, eff. July 15, 2009.

Section 79-E:10

79-E:10 Lien for Unpaid Taxes. – The real estate of every person shall be held for the taxes levied pursuant to RSA 79-E:9.

Source. 2006, 167:1, eff. April 1, 2006.

Section 79-E:11

79-E:11 Enforcement. – All taxes levied pursuant to RSA 79-E:9 which are not paid when due shall be collected in the same manner as provided in RSA 80.

Source. 2006, 167:1. 2007, 42:3, eff. July 20, 2007.

Section 79-E:12

79-E:12 Rulemaking. – The commissioner of the department of revenue administration shall adopt rules, pursuant to RSA 541-A, relative to the payment and collection procedures under RSA 79-E:9.

Source. 2006, 167:1, eff. April 1, 2006.

Section 79-E:13

79-E:13 Extent of Tax Relief. –

I. (a) Tax relief granted under this chapter shall pertain only to assessment increases attributable to the substantial rehabilitation performed under the conditions approved by the governing body and not to those increases attributable to other factors including but not limited to market forces; or

(b) Tax relief granted under this chapter shall be calculated on the value in excess of the original assessed value. Original assessed value shall mean the value of the qualifying structure assessed at the time the governing body approves the application for tax relief and the owner grants to the municipality the covenant to protect public benefit as required in this chapter, provided that for a qualifying structure which is a building destroyed by fire or act of nature, original assessed value shall mean the value as of the date of approval of the application for tax relief of the qualifying structure that would have existed had the structure not been destroyed.

II. The tax relief granted under this chapter shall only apply to substantial rehabilitation or replacement that commences after the governing body approves the application for tax relief and the owner grants to the municipality the covenant to protect the public benefit as required in this chapter, provided that in the case of a qualifying structure which is a building destroyed by fire or act of nature, and which occurred within 15 years prior to the adoption of the provisions of this chapter by the city or town, the tax relief may apply to such qualifying structure for which replacement has begun, but which has not been completed, on the date the application for relief under this chapter is approved.

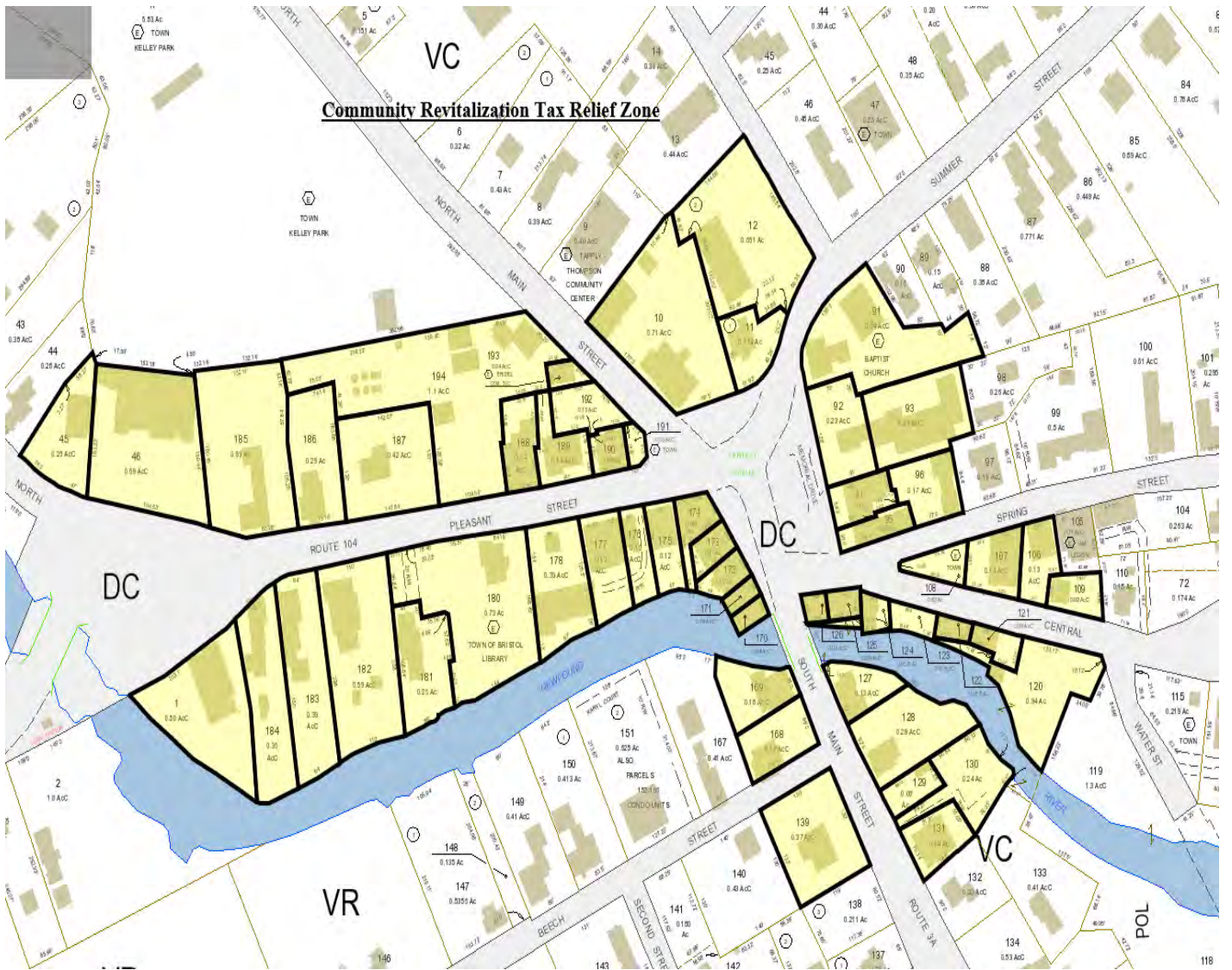
Source. 2006, 167:1. 2010, 329:6. 2011, 237:3, eff. July 5, 2011.

Section 79-E:14

79-E:14 Other Programs. – The provisions of this chapter shall not apply to properties whose rehabilitation or construction is subsidized by state or federal grants or funds that do not need to be repaid totaling more than 50 percent of construction costs from state or federal programs.

Source. 2006, 167:1, eff. April 1, 2006.

Part 5 – Revitalization Map



Declaration of Covenant Template

TOWN OF MILFORD, NEW HAMPSHIRE

COVENANT TO PROTECT PUBLIC BENEFIT

Per RSA 79-E:8 (Community Revitalization Tax Relief Incentive)

I (We) _____ [name] of _____ [address], _____ (town, city, zip code) (hereinafter referred to, collectively, if appropriate, as "GRANTOR") owner(s) of _____ [property] situate at _____ [address], Milford, NH (hereinafter referred to as the "PROPERTY"), for (myself/ourselves/itself) and for (my/our/it's) successors and assigns, for consideration of tax relief granted to GRANTOR by GRANTEE pursuant to the provisions of RSA 79-E, agree to the following covenants imposed by the Town of Milford, (hereinafter referred to as "GRANTEE"), 1 Union Square, County of Hillsborough, State of New Hampshire.

These covenants are made in exchange for property tax relief granted with respect to the PROPERTY as a result of the substantial rehabilitation of the PROPERTY to be accomplished by the GRANTOR in accordance with GRANTOR proposal (specific approved scope of work is attached as "CHAPTER 79-E COMMUNITY REVITALIZATION TAX RELIEF INCENTIVE ADDENDUM") approved by GRANTEE on [date of Board of Selectmen approval].

This COVENANT is to protect the public benefit in accordance with the provisions of RSA 79-E for a term of ____ [number of years] years, beginning on April first of the first tax year commencing immediately after the completion of the rehabilitation work. Notwithstanding the foregoing, the contemplated tax relief shall be null and void if the proposed rehabilitation work is not completed by March 31st _____[deadline year for completion].

The PROPERTY is designated as Tax Map [number] Lot [number] in the Town of Milford. For further reference to GRANTOR'S title, see deed recorded at Book [reference], Page [reference], Hillsborough County Registry of Deeds.

The GRANTEE agrees that the PROPERTY, if substantially rehabilitated in accordance with GRANTOR'S proposal approved by GRANTEE on [date of Board of Selectmen approval] provides a demonstrated public benefit in accordance with the provisions of RSA 79-E:7 inasmuch as the substantial rehabilitation of said property:

- I. Enhances the economic vitality of the extended Milford Downtown Area.
- II. Enhances or improves a structure that is culturally or historically important on a local, regional, state, or national level, either independently or within the context of an historic district, town center, or village center in which the building is located.
- III. Promotes development of the extended Milford Oval and downtown areas, providing for efficiency, safety and a greater sense of community consistent with RSA 9-B.

IV. Increases residential housing diversity and opportunities. The Town of Milford Board of Selectmen held a public hearing on _____ [date of Board of Selectmen approval] and at that meeting made the following findings consistent with and required by RSA 79-E: 7 & 8.

The terms of the COVENANT which is hereby granted by the GRANTOR to the GRANTEE with respect to the above described PROPERTY are to be co-extensive with the tax relief period and are as follows:

SUMMARY OF FINDINGS.

(Insert summary of findings if desired).

GRANTOR'S COVENANTS.

REHABILITATION OF PROPERTY. The Grantor agrees to substantially rehabilitate the PROPERTY during the term of this Agreement in accordance with GRANTOR'S proposal approved by GRANTEE on _____ [date of Board of Selectmen approval]. The substantial rehabilitation contemplated by GRANTOR'S proposal approved by GRANTEE on _____ [date of Board of Selectmen approval] shall be completed by the GRANTOR on or before March 31, _____ [deadline year]. All of the work on the attached scope of work must be completed in order for the tax relief to take effect. If only some of the work on the attached scope of work is completed prior to March 31, _____ [upcoming year] or March 31, _____ [following year], then the PROPERTY shall be fully assessed for the value of that work during the tax year(s) commencing [upcoming year] and/or _____ [following year].

MAINTENANCE OF THE PROPERTY. The GRANTOR agrees to maintain, use and keep the structure in a condition that furthers the public benefits for which the tax relief was granted and accepted during the term of the tax relief under RSA 79-E.

(Insert any particular restrictions such a signage, maintenance of building and its surroundings, other structure and so forth, as may be agreed upon between the Grantor and Grantee.)

REQUIRED INSURANCE, USE OF INSURANCE PROCEEDS, AND TIMEFRAME TO REPLACE OR REMOVE DAMAGED PROPERTY. The GRANTOR agrees and is required to obtain and maintain casualty insurance, as well as flood insurance, if appropriate. As permitted by RSA 79-E:8, this COVENANT shall be a lien against proceeds from casualty and flood insurance claims for the purpose of ensuring proper restoration or demolition or damaged structures and property. The GRANTEE further requires that the restoration or demolition commence within one year

following any insurance claim incident; otherwise the GRANTOR shall be subject to the termination provisions set forth in RSA 79-E:9, I.

RECORDING. The GRANTEE agrees to and shall provide for the recording of this COVENANT with the Hillsborough County Registry of Deeds. It shall be a burden upon the PROPERTY and bind all transferees and assignees of such PROPERTY. The GRANTOR will be solely responsible for payment of the recording fees.

ASSESSMENT OF THE PROPERTY. The GRANTEE agrees that the PROPERTY shall be assessed, during the term of the Tax Relief Granted based on the pre-rehabilitation value or such other value utilized by the Assessor to address improvements not covered by RSA 79-E. If the terms of these covenants are not met, the Property Tax Relief will be discontinued. Furthermore, the GRANTEE will assess all taxes to the owner as though no tax relief was granted, with interest in accordance with RSA 79-E:9, II.

RELEASE, EXPIRATION, CONSIDERATION.

- I. **RELEASE.** The GRANTOR may apply to the local governing body of the Town of Milford for a release from the foregoing discretionary tax relief and associated COVENANT within the duration of the tax relief period of the RSA 79-E upon a demonstration of extreme personal hardship. Upon release from such covenants, the GRANTOR shall thereafter pay the full value assessment of such structure(s) and land to the Tax Collector of the Town of Milford.
- II. **EXPIRATION.** Upon final expiration of the terms of the tax relief and associated covenants the tax assessment will convert to the then full fair market value and these covenants will be concluded.
- III. **CONSIDERATION.** The Tax Collector shall issue a summary receipt to the owner of such PROPERTY and a copy of the governing body of the Town of Milford for the sums of tax relief accorded during the term of this Agreement. The local governing body shall, upon receiving a copy of the above-mentioned consideration, execute a release of the COVENANT to the GRANTOR who shall record such a release with the Hillsborough County Registry of Deeds. A copy of such release or renewal shall also be sent to the local assessing official.
- IV. **MAINTENANCE OF STRUCTURE.** If, during the term of the tax relief, the GRANTOR shall fail to maintain the structure in conformity with the foregoing agreement, or shall cause the structure(s) to significantly deteriorate or be demolished or removed, the covenants shall be terminated and a penalty shall be assessed in accordance with Paragraph I(a) above.

ENFORCEMENT. If a breach of this COVENANT is brought to the attention of the GRANTEE, the GRANTEE shall notify the GRANTOR, in writing of such breach, which notification shall be delivered in hand or by certified mail, return receipt requested to the GRANTOR.

The GRANTOR shall have 30 days after receipt of such notice to undertake those actions, including restorations, which are reasonably calculated to cure the said breach and to notify the GRANTEE thereof.

If the GRANTOR fails to take such curative action, the GRANTEE may undertake any actions that are reasonably necessary to cure such breach, and the cost thereof, including GRANTEE'S expenses,

court costs and legal fees, shall be paid by the GRANTOR, provided the said GRANTOR is determined to be directly or indirectly responsible for the breach.

The GRANTOR, by accepting and recording this COVENANT to the GRANTOR agrees to be bound by and to observe and enforce the provisions hereof and assumes the rights and responsibilities herein provided for and incumbent upon the GRANTEE, all in furtherance the purposes for which this Tax Relief and associated COVENANT is delivered.

WITNESS MY/OUR/IT'S HAND this _____ day of _____, 20_____.

Witness: _____ Grantor: _____

Print Name: _____

Witness: _____ Grantor: _____

Print Name: _____

STATE OF NEW HAMPSHIRE
COUNTY OF HILLSBOROUGH

On this _____ day of _____, 20____, personally appeared the above
_____ and _____, known to me, or satisfactorily proven, to be
the same, and acknowledged that he/she/they executed the same for the purposes contained
therein.

Notary Public/Justice of the Peace

My commission expires: _____

ACCEPTED this _____ day of _____, 20____ by the Town of MILFORD.

TOWN OF MILFORD

By: _____ Print Name: _____

*Milford Town Administrator
(Or other authorized designee)*

City of Rochester, NH
COVENANT TO PROTECT PUBLIC BENEFIT
Per RSA 79-E:8 (Community Revitalization Tax Relief Incentive)

I, _____, Owner of _____, with a mailing address of _____, _____, _____, (hereinafter referred to as "GRANTOR") owner of the property situate at _____, located in the City of Rochester, NH 03867, **City of Rochester, NH** (hereinafter referred to as the "PROPERTY"), for itself and for its successors and assigns, for consideration of tax relief granted to GRANTOR by GRANTEE pursuant to the provisions of RSA 79-E, agree to the following Covenants imposed by the City of Rochester, (hereinafter referred to as "GRANTEE"), 31 Wakefield Street City of Rochester, NH, County of Strafford, State of New Hampshire.

These covenants are made in exchange for property tax relief granted with respect to the PROPERTY as a result of the substantial rehabilitation of the PROPERTY to be accomplished by the GRANTOR in accordance with GRANTOR'S proposal (specific approved scope of work is attached as "CHAPTER 79-E COMMUNITY REVITALIZATION TAX RELIEF INCENTIVE ADDENDUM") approved by GRANTEE on (date of City Council approval).

This Covenant is to protect the public benefit in accordance with the provisions of RSA 79-E for a term of ____ (-) years, beginning on April first of the first tax year commencing immediately after the completion of the rehabilitation work. Notwithstanding the foregoing, the contemplated tax relief shall be null and void if the proposed rehabilitation work is not completed by _____.

The PROPERTY is designated GRANTEE'S Tax Map ____ Lots _____, in the City of Rochester. For further reference to GRANTOR'S title see deed recorded at Book ____ Page _____, Strafford County Registry of Deeds.

The GRANTEE agrees that the PROPERTY, if substantially rehabilitated in accordance with GRANTOR'S proposal approved by GRANTEE on (date of City Council approval) provides a demonstrated public benefit in accordance with the provisions of RSA 79-E:7 in so much as the substantial rehabilitation of said property:

- I. Enhances the economic vitality of downtown;
- II. Enhances or improves a structure that is culturally or historically important on a local, regional, state, or national level, either independently or within the context of an historic district, town center, or village center in which the building is located; and
- III. Promotes development of municipal centers, providing for efficiency, safety and a greater sense of community consistent with RSA 9-B.

The City of Rochester, NH City Council held a public hearing on _____ and at that meeting made the following findings consist with and required by RSA 79-E 7 & 8 (minutes are available upon request). The terms of the Covenant hereby granted with respect to the above-described Property are for ____ (-) years. The terms of the Covenant which is hereby granted by the GRANTOR to the GRANTEE with respect to the above described PROPERTY are to be co-extensive with the tax relief period and are as follows:

GRANTOR'S COVENANTS:

REHABILITATION OF PROPERTY. The Grantor agrees to substantially rehabilitate the PROPERTY during the term of this Agreement in accordance with GRANTOR'S proposal approved by GRANTEE on (date of City Council approval). The substantial rehabilitation contemplated by GRANTOR'S proposal approved by GRANTEE on (date of City Council approval) shall be completed by the GRANTOR on or before March 31, 202-. All of the work on the attached scope of work must be completed in order for the tax relief to take effect. If only some of the work on the attached scope of work is completed prior to March 31, 202-, then the PROPERTY shall be fully assessed for the value of that work during the tax year(s) commencing 202-.

MAINTENANCE OF THE PROPERTY. The GRANTOR agrees to maintain, use and keep the structure in a condition that furthers the public benefits for which the tax relief was granted and accepted during the term of the tax relief under RSA 79-E.

REQUIRED INSURANCE, USE OF INSURANCE PROCEEDS, AND TIMEFRAME TO

REPLACE OR REMOVE DAMAGED PROPERTY. The GRANTOR agrees and is required to obtain and maintain casualty insurance, as well as flood insurance, if appropriate. The GRANTEE requires a lien against proceeds for any insurance claims to ensure proper restoration or demolition of any damaged structures and property. The GRANTEE further requires that the restoration or demolition commence within one year following any insurance claim incident; otherwise the GRANTOR shall be subject to the termination provisions set forth in RSA 79-E:9, I.

RECORDING. The GRANTEE agrees to and shall provide for the recording of this covenant with the Strafford County Registry of Deeds. It shall be a burden upon the PROPERTY and bind all transferees and assignees of such PROPERTY. The GRANTOR will be solely responsible for payment of the recording fees.

ASSESSMENT OF THE PROPERTY. The GRANTEE agrees that the PROPERTY shall be assessed, during the term of the Tax Relief Granted based on the pre-rehabilitation value or such other value utilized by the Assessor to address improvements not covered by RSA 79-E. If the terms of these covenants are not met, the Property Tax Relief will be discontinued. Furthermore, the GRANTEE will assess all taxes to the owner as though no tax relief was granted, with interest in accordance with RSA 79-E:9, II.

RELEASE, EXPIRATION, CONSIDERATION.

I. RELEASE. The GRANTOR may apply to the local governing body of the City of Rochester for a release from the foregoing discretionary tax relief and associated covenant within the duration of the tax relief period of the RSA 79-E upon a demonstration of extreme personal hardship. Upon release from such covenants, the GRANTOR shall thereafter pay the full value assessment of such structure(s) and land to the Tax Collector of the City of Rochester.

II. EXPIRATION. Upon final expiration of the terms of the tax relief and associated covenants the tax assessment will convert to the then full fair market value and these covenants will be concluded.

III. CONSIDERATION. The Tax Collector shall issue a summary receipt to the owner of such PROPERTY and a copy of the governing body of the City of Rochester for the sums of tax relief accorded during the term of this Agreement. The local governing body shall, upon receiving a copy of the above-mentioned consideration, execute a release of the Covenant to the GRANTOR who shall record such a release with the Strafford County Registry of Deeds. A copy of such release or renewal shall also be sent to the local assessing official.

IV. MAINTENANCE OF STRUCTURE. If, during the term of the tax relief, the GRANTOR shall fail to maintain the structure in conformity with the foregoing agreement, or shall cause the structure(s) to significantly deteriorate or be demolished or removed, the covenants shall be terminated and a penalty shall be assessed in accordance with RSA 79-E:9.

ENFORCEMENT. If a breach of this Covenant is brought to the attention of the GRANTEE, the GRANTEE shall notify the GRANTOR, in writing of such breach, which notification shall be delivered in hand or by certified mail, return receipt requested to the GRANTOR.

The GRANTOR shall have 30 days after receipt of such notice to undertake those actions, including restorations, which are reasonably calculated to cure the said breach and to notify the GRANTEE thereof.

If the GRANTOR fails to take such curative action, the GRANTEE may undertake any actions that are reasonably necessary to cure such breach, and the cost thereof, including GRANTEE'S expenses, court costs and legal fees, shall be paid by the GRANTOR, provided the said GRANTOR is determined to be directly or indirectly responsible for the breach.

The GRANTOR, by accepting and recording this Covenant to the GRANTOR agrees to be bound by and to observe and enforce the provisions hereof and assumes the rights and responsibilities herein provided for and incumbent upon the GRANTEE, all in furtherance of the purposes for which this Tax Relief and associated Covenant is delivered.

Nomain Kingdom, LLC

By: _____

_____, Owner
Duly Authorized

STATE OF
COUNTY OF

On this ____ day of _____, 202-, before me personally appeared the above named _____, Owner, _____, LLC, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument and acknowledged the same to be his free act and deed for the purposes contained therein on behalf of the limited liability company.

Notary Public / Justice of the Peace
My Commission Expires:

ACCEPTANCE

The undersigned City of Rochester hereby accepts this Covenant.

CITY OF ROCHESTER

By: _____
_____, City Manager
STATE OF NEW HAMPSHIRE

COUNTY OF STRAFFORD


On this ____ day of _____, 202-, before me personally appeared the above named _____, duly authorized, City Manager of the City of Rochester, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument and acknowledged the same to be his free act and deed for the purposes contained therein on behalf of the City of Rochester.

Notary Public / Justice of the Peace
My Commission Expires:



PO Box 5087, Manchester, NH 03108
603.472.8623 800.640.7239
TDD: 603.472.2089
info@nhhfa.org
NHHousing.org



 New Hampshire Housing promotes, finances, and supports housing solutions for the people of New Hampshire.

