15

California Office of Historic Preservation
Department of Parks & Recreation

*Technical Assistance Series*

# *Incentives for Historic Preservation*

1725 23rd St,
Suite 100
Sacramento CA 95816

PO Box 942896
Sacramento CA
94296-0001

Phone:
(916) 445-7000
fax:
(916) 445-7053

calshpo@parks.ca.gov

www.ohp.parks.ca.gov


Revised September 2013

# INCENTIVES
# FOR
# HISTORIC PRESERVATION
# IN CALIFORNIA

## CALIFORNIA OFFICE OF HISTORIC PRESERVATION
## TECHNICAL ASSISTANCE SERIES #15

This publication has been financed in part with Federal funds from the National Park Service, Department of the Interior, under the National Historic Preservation Act of 1966, as amended, and administered by the California Office of Historic Preservation. The contents and opinions do not necessarily reflect the views or policies of the Department of the Interior, nor does the mention of trade names or commercial products constitute endorsement or recommendation by the Department of the Interior. Under Title VI of the Civil Rights Act of 1964 and Section 504 of the Rehabilitation Act of 1973, the U.S. Department of the Interior strictly prohibits unlawful discrimination on the basis of race, color, national origin, age, or handicap in its federally-assisted programs. If you believe you have been discriminated against in any program, activity, or facility as described above, or if you desire further information, please write to Office for Equal Opportunity, U.S. Department of the Interior, National Park Service, Box 37127, Washington DC 20013-7127.

© 2013 by the California Department of Parks and Recreation
Office of Historic Preservation
Sacramento, California
All rights reserved
13 September 2013

# Preface

The programs listed in this document will assist anyone interested in the field of historic preservation to locate funding and incentives available to qualified historic properties. Some of the programs are incentive based while others rely on a designated funding source, or on a commitment from an overseeing jurisdiction. Certain program funding may be based on annual budgets at the federal, state, or local levels, while others are ongoing programs involving credits or abatements. Programs may also be regulatory or code driven.

This document includes Internet addresses for each listed program. Readers are advised to visit the web sites for contact information including address, phone and fax numbers, in-depth background, and for up-to-date information on the listed incentives and programs.

OHP wishes to thank the following individuals for contributing to the compilation of this document. Staff members Jeanette Schulz, Bob Mackensen, Cheri Stanton, and Tim Brandt served as coordinators for formulation and content. Marie Nelson formatted the document for posting on the OHP web page. Additional OHP reviewers included Stephen Mikesell, Hans Kreutzberg, Eugene Itogawa, and Lucinda Woodward. Outside reviewers included Laura Westrup from the California State Parks Planning Division, Gail Ostergren from the Getty Conservation Institute, and Christine Fedukowski from the National Trust for Historic Preservation.

© 2013 by the California Department of Parks and Recreation Office of Historic Preservation. All rights reserved. Printed in Sacramento, California.

For more information or additional copies contact:

California Department of Parks and Recreation
Office of Historic Preservation
ATTN: Tax Incentives Program
P.O. Box 942896
Sacramento, California 94296-0001
(916) 445-7011 office
(916) 445-7053 fax
E-mail: calshpo@parks.ca.gov

***NOTE:*** Information provided is for general information only, and does not constitute legal advice or opinion in any way. As these laws and regulations change over time and may leave room for interpretation, you are urged to consult your attorney regarding specific legal questions you may have. Every effort has been made to provide up-to-date and correct information. If errors in text and/or

content are found, please alert the Office of Historic Preservation (OHP) as soon as possible.

The activity that is the subject of this Incentive Manual has been financed in part with federal funds from the National Park Service, U.S. Department of the Interior. However, the contents and opinions do not necessarily reflect the views or policies of the Department of the Interior, nor does the mention of trade names or commercial products constitute endorsement or recommendation by the Department of the Interior.

**TABLE OF CONTENTS**

**PREFACE**

**1. FEDERAL INCENTIVES**

Advisory Council on Historic Preservation (ACHP)
Community Development Block Grants (U.S. Department of Housing and Urban Development
Preservation Tax Incentives for Historic Buildings (National Park Service)

- 20% Rehabilitation Tax Credit
- 10% Rehabilitation Tax Credit
- Charitable Contributions (Easements)
- Investment Tax Credit for Low Income Housing (Affordable Housing)

TEA-21: Intermodal Surface Transportation Efficiency Act (ISTEA)
United States Small Business Administration (SBA)

**2. STATE INCENTIVES**

California Heritage Fund (Proposition 40)
Certified Local Government Grants (CLG)
Earthquake Retrofit Programs (state and local)
Marks Historical Rehabilitation Act
Mills Act Property Tax Abatement Program
Seismic Bond Act
Williamson Act Program

**3. LOCAL INCENTIVES**

Introduction: Local Incentives
Adaptive Reuse Ordinances
Business Improvement Districts
Planning and Zoning
Additional Local Incentives

**4. ALTERNATIVE INCENTIVES: Grants, Loans, Credits, and Deductions**

The 1772 Foundation
Americans with Disability Act (ADA) and Tax Incentives

- Disabled Access Tax Credit (26 USC 44)
- Expenditures to Remove Architectural and Transportation Barriers to the Handicapped and Elderly, as amended (26 USC 190) Getty Center Grants
- Architectural Conservation Planning Grants
- Architectural Conservation Implementation Grants
- Campus Heritage Grants-National Endowment for the Arts (NEA)
- Grants for Arts Projects-National Endowment for the Humanities Grants (NEH)

National Trust for Historic Preservation

- National Main Street Center
- National Trust Loan Funds
- Preservation Development Initiative
- Tax Credit Equity Investments
  - National Trust Community Investment Corporation
  - National Trust Small Deal Fund
- Additional NTHP Programs

National Trust for Historic Preservation Forum Funds

- Cynthia Woods Mitchell Fund
- Johanna Favrot Fund
- Preservation Services Fund

Partners for Sacred Places

Save America's Treasures (SAT)

## 5. CODES AND REGULATIONS

California Historical Building Code (CHBC)

## APPENDICES

A. Guidance for successful tax applications
B. 2012 Certified Federal Tax Projects

## ADVISORY COUNCIL ON HISTORIC PRESERVATION

The Advisory Council on Historic Preservation (ACHP), an independent federal agency, has a mission to promote the preservation, enhancement, and productive use of our Nation's historic resources, and to advise the President and Congress on national historic preservation policy.

The ACHP was established by the National Historic Preservation Act of 1966 (NHPA), which encourages Federal agencies to be responsible stewards of the Nation's historic resources by including consideration of historic preservation in project requirements. As part of its duties as defined in the NHPA, ACHP is a policy advisor and recommends administrative and legislative actions to improve protection of our nation's heritage. It is the only entity with the legal responsibility to advocate for, and encourage full consideration of, historic values in federal decision making. One of its prime duties is the review of federal programs and policies to ensure they will be effective, coordinated, and consistent with national preservation policies.

#### PROGRAM AREAS

**Federal Agency Programs** administers the NHPA Section 106 review process and works to improve Federal agency consideration of historic preservation values in their programs.

**Communications, Education, and Outreach** conveys ACHP's vision and message to constituents and the general public through education, information, and recognition of historic preservation achievements.

**Preservation Initiatives** focuses on partnerships and program initiatives such as heritage tourism to promote preservation with local and state governments, Indian Tribes, and the private sector.

***Preserve America* Initiative** promotes cultural and natural preservation and encourages a greater appreciation of national treasures, from monuments and buildings to landscapes and main streets. Emphasis is on retaining regional identities, supporting local pride in our cultural and natural heritage assets, and sustaining the economic vitality of our neighborhoods and communities.

Major components of the *Preserve America* initiative include:

- ***Preserve America* Presidential Awards** are annual awards given for: accomplishments in the sustainable use and preservation of cultural or natural heritage assets; demonstrated commitment to the protection and interpretation of America's cultural or natural heritage assets and the integration of these assets into contemporary community life; and a combination of innovative, creative, and responsible approaches to showcasing historic resources in communities.

- **Preserve America Communities** provides recognition and designation of communities that: protect and celebrate their heritage; use their historic assets for economic development and community revitalization; and encourage people to experience and appreciate local historic resources through education and heritage tourism programs.

- **Federal Support** provides technical and financial assistance to: bolster local preservation efforts; support better integration of heritage preservation and economic development; and foster and enhance intergovernmental and public-private partnerships to accomplish these goals.

**FURTHER INFORMATION:**

*Web-Available Studies on the Economic Impacts of Historic Preservation*
Advisory Council on Historic Preservation http://www.achp.gov/index.html

Heritage Tourism http://www.achp.gov/heritagetourism.html

Financial Assistance Sources http://www.achp.gov/funding.html
- General Historic Preservation
- Community and Economic Development
- Cultural and Arts Programs
- Disaster Response
- Natural Resource Conservation and Recreation Programs
- Specific Property Types
- State, Tribal and Local Government

Preserve America http://www.preserveamerica.gov

## COMMUNITY DEVELOPMENT BLOCK GRANTS (CDBG)

The Community Development Block Grant (CDBG) Program is a program of the U. S. Department of Housing and Urban Development (HUD). Although it is a federal program that must conform to certain national HUD objectives, the allocation of the money within the community is at the discretion of local officials. Local governments use these annual direct grants from HUD to shape local programs that meet important objectives in community development.

The program is not a historic preservation program (its broad mission is to foster community development and to benefit low and moderate income persons), but it can fund particular activities that enhance and support historic preservation.

Community members and local officials who wish to make the most of CDBG grants will find a number of ways to link historic preservation to other community development and revitalization objectives. Historic preservation activities usually concentrate on rehabilitation, preservation, and restoration of public or privately owned properties. However, preservation activities may also be coordinated with new construction as well as with economic development, energy conservation and other objectives in a community's CDBG program.

#### A PARTIAL LIST OF ELIGIBLE CDBG ACTIVITIES WHICH MAY SUPPORT HISTORIC PRESERVATION

### Planning

- Preparation of historic preservation elements of general plans
- Historic and archeological surveys of CDBG project areas
- Data collection, studies, analysis and the preparation of plans and implementing measures including budgets, codes, and ordinances
- Delineation of historic districts, including reuse plans and the preparation of ordinances and codes to assure preservation of the districts

### Engineering and Design Costs

- Feasibility studies to assess the condition of structures, including historic properties
- Design improvements to the façade of structures, including historic buildings
- Removal of architectural barriers in older buildings, including historic buildings

### Consultant Services

- Obtain professional assistance for program planning, including historic preservation

### Acquisition

- Acquisition of properties, including historic properties, by a public agency or private not-for-profit entity
- Acquisition by purchase, lease, donation, or otherwise, of real property, including easements and facade easements

**Clearance Activities**

- Moving a historic structure from a project site
- Clearing incompatible structures from a historic site

**Property Rehabilitation**

- Includes privately owned residential buildings and improvements limited to facade and code requirements
- Publicly owned residential buildings
- Publicly owned nonresidential buildings
- Energy system improvements

**Removal of Architectural Barriers**

**Payment of the non-Federal Match Required in Connection with a Federal Grant-in-Aid Program**

- CDBG funds can be used as match for grants under the federal Certified Local Government program administered by the Office of Historic Preservation

To find out if your community received CDBG funds, to determine what programs are assisted by CDBG funds, or to influence how CDBG funds are allocated in your community contact your local planning department, economic development department, community development department, or local redevelopment agency.

**FURTHER INFORMATION:**

The document *Historic Preservation in Housing and Community Development: Linking Historic Preservation to Community Development Block Grant Objectives* can be accessed at this address:

http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_13716.pdf

Historic Preservation and Heritage Tourism in Housing and Community Development, a guide to using CDBG funds for historic preservation and heritage tourism, is now available online:

http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_14212.doc

General information on the HUD Community Development Block Grant Programs is available at:

http://www.hud.gov/offices/cpd/communitydevelopment/programs/

California CDBG Contacts and California Housing & Community Development:

http://www.hcd.ca.gov/fa/cdbg/EconDevelopment.html

# 20% REHABILITATION TAX CREDIT
## Preservation Tax Incentives for Historic Buildings

Tax credits provide an important tool in the rehabilitation of historic properties. This federal program provides a dollar-for-dollar income tax reduction credit equal to 20% of qualified rehabilitation expenditures on income producing properties that are certified historic structures. Certified historic structures are either individually listed in the National Register of Historic Places (NRHP), or are contributors to a NRHP District. Properties not yet listed may apply for a preliminary determination of eligibility by filing a Part 1 form.

The property must be rehabilitated following the *Secretary of the Interior's Standards for Rehabilitation* (1990). The project costs must exceed either $5000 or the adjusted basis of the building, whichever is higher. For larger projects, developers typically enter into a partnership with "tax credit investors" to more efficiently use the tax credit benefits. The developer serves as general partner with the tax credit investor being a limited partner, making an equity contribution to the project in exchange for the tax credit benefits. Under certain circumstances, non-profit organizations may also enter into such a partnership to allow their projects to benefit from the tax credit.

This is one of the most successful and cost-effective community revitalization programs which also attracts private investment in the historic cores of cities and towns. New jobs, enhanced property values, urban renewal, new municipal revenues, improved properties, and a lively, diverse and attractive community are other benefits realized from completed projects.

#### PROGRAM GUIDELINES

The Tax Incentives program is implemented by federal regulations under 36 CFR Part 67 and is a three-way partnership between the local state Office of Historic Preservation (SHPO), the National Park Service (NPS), and the Internal Revenue Service (IRS):

SHPO
- First point of contact
- Provides forms, regulations, and other information
- Maintains records of State's National Register properties
- Processes forms for listing
- Assists with information on appropriate rehabilitation treatments and materials

NPS
- Processes program fees
- Reviews all applications for conformance with the *Standards*
- Issues all certifications (approval or denial) in writing to owner
- Transmits copies of documents to the IRS
- Develops and publishes program regulations, the *Standards*, other publications and maintains

**IRS**
- Publishes regulations governing which rehabilitation expenses qualify for credits
- Sets time periods for incurring expenses
- Has procedural and legal oversight for claiming 20% and 10% credits
- Publishes audit guide for financial and legal aspects

- Assists with tax credit applications and sends project review to NPS

a web-site

- Insures that only qualified parties claim the credits

**APPLICATION**

- Contact the SHPO for forms and to determine whether your property is National Register eligible. Forms and information may be downloaded from the NPS website or the CA SHPO website link.
- File a Part 1 (Evaluation of Significance) to start the program (individually listed properties do not need to file a Part 1, unless the listing consists of more than one building. Photos and a location map are important components of the application.
- File the Part 2 (Description of Rehabilitation Work) to clearly describe all the project work and how historic fabric might be affected. One of the most critical parts of the Part 2 is photos of "before" conditions so the NPS may compare the building before and after work. Lack of such photos can result in denial of the project, as review cannot be completed without them. Drawings should accompany the Part 2 application.
- File the Part 3 (Request for Certification of Completed Work) after work is completed. Include photos of completed work, taken from the same locations as "before" photos. When filing the Part 3 be sure to contact your accountant or financial advisor for the details of claiming the credit. In certain instances, alternative minimum taxes and passive activity limitations may limit the use of the rehabilitation tax credits.
- All submissions should be submitted in duplicate form. OHP retains one original copy and forwards the second original copy to NPS.

Most tax incentive rehabilitation projects are completed in a two-year cycle and the credits are claimed when the Part 3 is filed. For complex projects, or those with complex financing, it is possible to request a five-year, phased program. This must be done at the time the Part 2 is filed and must be accompanied by a detailed explanation of the phases. Credits may be taken in increments during the five-year period by filing a Continuation Sheet explaining the completion of a work phase. It is important to be aware that the whole project is reviewed, and later work if not done in accordance with the *Standards,* may result in denial and recapture of the previous credits granted.

**CHECKLIST**

- Two sets of applications, photos and other documentation must be sent to the SHPO. **Do not bind applications**, as both the SHPO and NPS have archival file and storage standards that require applications to be unbound for processing.
- All cover sheets must have original owner signature(s) and date on both copies.
- Both the SHPO and NPS prefer actual photographs to digital images. If used, digital images should have a high resolution, providing the same clarity and level of detail as actual photographs. Unclear photographs could result in an inability to evaluate the project and necessitate return of the application. In any case, images should be loose and not bound, labeled on the back, and keyed to a plan.

- The Part 2 application should reference all photos and drawing sheets for each item discussed.
- Do not send review fees to the SHPO. The NPS processes fees when the Part 2 is received in their office and sends a letter requesting payment. To expedite the fee request, a NPS credit card payment form may be completed and submitted to SHPO with the Part 2 and Part 3 application for forwarding to NPS with the completed review. The credit card form may be downloaded from the NPS website or the CA SHPO website link.
- Any change in a previously approved scope of work must be reported to the SHPO and the NPS, usually by an amendment to the Part 2, to be filed with the SHPO.
- Do not delay in contacting the SHPO with any questions during the course of the project. The SHPO's role is to assist in ensuring that the project meets the *Standards* and is successful.

**FURTHER INFORMATION:**

**Please see Appendix A for guidance in preparing a successful application.

| | |
|---|---|
| NPS Historic Preservation Planning Services | http://www.nps.gov/history/hps/pad/ |
| NPS technical preservation services: | http://www.nps.gov/tps/about.htm |
| Internal Revenue Service | http://www.nps.gov/tps/tax-incentives/before-apply/irs.htm |
| Federal Regulations 36 CFR Part 67 | http://www.gpo.gov/fdsys/pkg/CFR-2012-title36-vol1/pdf/CFR-2012-title36-vol1-part67.pdf |
| 36 CFR Part 67, see also: | http://www.wbdg.org/references/code_regulations.php?i=290&r=1 |

# 10% REHABILITATION TAX CREDIT

**Preservation Tax Incentives for Historic Buildings**

A 10% rehabilitation tax credit is available for the rehabilitation of *non-historic buildings* that were built before 1936. The 10% credit applies only to buildings, not to ships, bridges or other structures.

**PROGRAM GUIDELINES**

- The rehabilitation must be *substantial*, exceeding either $5,000 or the adjusted basis of the property, whichever is greater, and the property must be depreciable.
- Rehabilitation must be for *non-residential* uses. Rental housing does not qualify for the 10% credit. Hotels qualify as they are considered to be commercial use, not residential use.
- A building that was been moved *before* 1936 can be eligible for the 10% credit.

Projects undertaken for the 10% credit must meet a specific physical test for retention of external walls and internal structural framework:

- 50% or more of the building's existing walls must remain in place as external walls at the work's conclusion, and
- 75% or more of the building's existing external walls must remain in place as either external or internal walls, and
- 75% or more of the building's internal structural framework must also remain in place.

**ELIGIBILITY AND RESTRICTIONS**

The 20% and 10% credits are mutually exclusive. Only one may be applied to a given project. Which credit applies depends on the building, not on the owner's preference.

- Buildings listed individually or as district contributors in the National Register of Historic Places are not eligible for the 10% credit.
- Buildings located in certified State or local historic districts are presumed to be historic and are therefore not eligible for the 10% credit.
- Owners of buildings in National Register or certified State or local historic districts may claim the 10% credit *only* by filing a Part 1 of the Historic Preservation Certification Application with the SHPO and National Park Service and receive a determination that the building does *not* contribute to the district and is *not* a certified historic structure.
- Owners of historic buildings denied certification for the 20% credit may not claim the 10% credit.

**CLAIMING THE 10% REHABILITATION TAX CREDIT**

The tax credit must be claimed on IRS form 3468 for the tax year in which the rehabilitated building is placed in service. The owner files the 3468 form directly; there is no formal review process for rehabilitations of non-historic buildings.

**FURTHER INFORMATION:**

| | |
|---|---|
| National Park Service | http://www.nps.gov/tps/tax-incentives.htm |
| IRS Form 3468 | http://www.irs.ustreas.gov/pub/irs-pdf/f3468.pdf |

# CHARITABLE CONTRIBUTIONS FOR HISTORIC PRESERVATION PURPOSES

(Conservation Easements)

**Preservation Tax Incentives for Historic Buildings**

Internal Revenue Service Code Section 170(h) and Department of Treasury Regulations Section 1.170A-14 provide for income and estate deductions for charitable contributions of partial interests in historic property (principally easements). Valuations usually range from 10-15% of the structure's fair market value. To qualify, the gift of an easement for conservation purposes such as the preservation of the facade of a certified historic structure must be made to a holding entity and must be protected in perpetuity. Easements may be made for a facade, a building exterior (and its grounds), historically important building interiors, or for development rights for historically important land areas (open space agreements). Easements become part of the chain of title and bind present and future owners. However, establishment of such restrictions does not prevent the property owner from retaining possession and use of the property. Exterior work may need to be reviewed for appropriateness, but any interior modifications are at the discretion of the owner, unless the easement is for a significant interior.

#### ELIGIBILITY

The conservation easement donation can be from a structure that is used either for business or non-business. Personal residences as well as commercial properties may take advantage of this provision.

The property must only be a "certified historic structure," which is a property either:

- already listed individually in the National Register of Historic Places; or
- located in a National Register historic district and certified by the Secretary of the Interior as being of historic significance to the district (a "contributor").

Properties not yet listed may file if it there is a preliminary determination that the property is National Register eligible and the nomination form will be filed and the property listed by the time federal taxes are due in the year following the donation (plus six months extension time).

#### PROGRAM GUIDELINES

- If the historic structure is not visible from a public way, arrangements must be included to permit regular viewing by the general public of its historic character and features; to the extent such viewing is consistent with the nature and condition of the property.
- If the property is subject to a mortgage, a special rule is that the mortgagee must agree to subordinate its rights to the property to the right of the donee to enforce the conservation purposes in perpetuity.
- If the value of the donation and deduction exceeds $5000, the taxpayer must obtain a qualified appraisal and attach a full summary to the income tax return.
- A facade easement may be claimed for a qualified rehabilitated building. However, if the donation is made within the five year 20% Rehabilitation Tax Credit recapture period, the donation is considered a partial disposition of the property and will trigger recapture of all or part of the rehabilitation credits.

The donation is made only once, but the tax deduction may be distributed over a six year period and may usually be claimed on both federal and state tax returns.

**FURTHER INFORMATION:**

*Historic Preservation Easements: A Directory of Historic Preservation Easement Holding Organizations*, Claire Schofield, 2003:

http://www.ohp.parks.ca.gov/pages/1074/files/easementsdirectory.pdf

National Park Service – easements:

http://www.ohp.parks.ca.gov/pages/1074/files/easements-historic-properties.pdf

NPS Heritage Preservation Services--IRS facades: Facade Easement Contributions Removed, pending IRS revisions, July, 2007.

In the Los Angeles area: LA Conservancy:

https://www.laconservancy.org/resources/guide/conservation-easements-permanent-protection-historic-places

# INVESTMENT CREDIT FOR LOW-INCOME HOUSING

**Preservation Tax Incentives for Historic Buildings**

The Tax Reform Act of 1986 (IRC Section 42) established an investment tax credit for acquisition, construction, or rehabilitation of low-income housing. The credit is approximately 9% per year for 10 years for each unit acquired, constructed, or rehabilitated without other federal subsidies and approximately 4% for 10 years for projects subsidized by tax-exempt bonds or below market federal loans. Through syndicated sale of this credit it can be possible to finance project construction costs at 30-60% of expenses.

This federal program is aimed at encouraging owners to develop and provide low-income housing to a community. While broader in scope than preservation, this credit can be used alone or concurrently with the Federal Historic Preservation Tax Incentive, which creates additional financial credits to make the low-cost housing project more viable. These credits are usually sold to individual or corporate investors through private or public syndication to create funding.

**ELIGIBILITY**

- Providing rental housing is the only eligible project for the low-income credits.
- Credits may be used for rehabilitation of existing properties or for new construction. Cost calculation is based on the depreciable costs of the property that is used in common areas.
- There are income threshold limits for initial occupants which cannot exceed 60% of the area median, adjusted for household size; requirements for cost per unit; limits on number of units; and financial commitment requirements for the owners.
- The credit allocations are factored on the eligible cost basis of the project, which encompass both hard and soft development costs. Land costs are excluded, but some acquisition costs can be part of the credit.
- Tax-exempt property may receive the credits. However, rental units must be leased to qualified low-income tenants and the rents must be restricted.
- Location of the property in either a qualified census tract (50% or more of households have incomes less than 60% of the area median gross income) or in a difficult development area may allow for an increase of the credit up to 130% of the construction or rehabilitation expenditures.
- The eligible basis for computing the low income credit must be reduced by the amount of any rehabilitation tax credit or any federal grants obtained.
- The credit is available after units are occupied by qualified tenants.
- Federal law sets a 15-year credit compliance period.
- Buildings must be maintained as affordable housing for a period of not less than 30 years. However, California's program generally requires maintaining affordability for 55 years.
- Credits are allocated by State housing credit agencies and are competitive.

The program is administered by the California Tax Credit Allocation Committee (TCAC) through the State Treasurer and the U.S. Internal Revenue Service. TCAC administers two low income housing tax credit programs, a federal program and a state program. Both programs were authorized to encourage private investment in rental housing for low and lower income families and individuals.

**FURTHER INFORMATION:**

**Code References**

- Tax Reform Act of 1986; Internal Revenue Code Section 42
- California Code of Regulations, Title 4, Division 17, Sections 10300-10337

Federal Historic Preservation Tax Incentives - Topical Tax Brief – Comparison of the Historic Rehabilitation Tax Credit and the Low Income Housing Tax Credit:

http://www.nps.gov/tps/tax-incentives/taxdocs/IRS_HRTC_LIHTC.pdf

California Tax Credit Allocation Committee:

http://www.treasurer.ca.gov/ctcac/

# TEA-21
## THE TRANSPORTATION EQUITY ACT FOR THE 21ST CENTURY
## UNITED STATES DEPARTMENT OF TRANSPORTATION

TEA-21 enacted June 9, 1998, authorized federal surface transportation programs for highways, highway safety, and transit for the years 1998-2003. The TEA 21 Restoration Act, enacted July 22, 1998, provided technical corrections to the original law. In August 2003, the California Transportation Commission (CTC) integrated the Transportation Enhancements (TE) program into the State Transportation Improvement Program (STIP). The 2004 STIP Guidelines, adopted December 11th, further clarify and direct programming of TE funded projects or project enhancement elements, into the STIP.

The concept is to enhance, maintain, and preserve the existing transportation network while more creatively and sensitively integrating it into the surrounding communities. The goal is to create a "more-than-adequate" transportation experience that provides an aesthetic, pleasant and improved interface between a particular transportation mode and the people of the adjacent communities. Federal transportation funds are to be granted for use in capital improvement projects that enhance quality-of-life, in or around transportation facilitates. Projects must be above and beyond regular mitigation and regular programs, and the proposed project must directly relate back to an existing transportation system. Several eligibility categories emphasize historic properties such as landscapes, buildings, and archeological sites and related resources. The program is overseen by the Federal Highway Administration. In California, the California Department of Transportation (CALTRANS) administers the program.

*ELIGIBILITY AND SELECTION CRITERIA*

There are three basic selection criteria that form the initial screening to determine whether a project fits the program. All three criteria must be met for the project to qualify.

1. The project must have at least one direct relationship to the surface transportation system (excluding aviation).
2. Enhancement activities must be above and beyond a normal project. Generally normal mitigation, standard landscaping, permitting, routine maintenance activities, and ADA compliance are not eligible.
3. The project must be encompassed under one or more of twelve activity categories. Only the activities listed in U.S. Code, Title 23 Section 101(a) are eligible and if the association is unclear, a detailed reasoning and explanation must be provided for a determination of eligibility by CALTRANS and the Federal Highway Administration.

   The twelve categories are:

   - Provision of facilities for pedestrians and bicycles.
   - Provision of safety and educational activities for pedestrians and bicyclists.
   - Acquisition of scenic easements and scenic or historic sites.

- Scenic or historic highway programs (including the provision of tourist and welcome center facilities).
- Landscaping and other scenic beautification.
- Historic preservation.
- Rehabilitation and operation of historic transportation buildings, structures or facilities (including historic railroad facilities and canals).
- Preservation of abandoned railway corridors (including the conversion and use thereof for pedestrian or bicycle trails).
- Control and removal of outdoor advertising.
- Archaeological planning and research.
- Mitigation of water pollution due to highway runoff or reduce vehicle-caused wildlife mortality while maintaining habitat connectivity.
- Establishment of transportation museums.

**ADDITIONAL REQUIREMENTS**

- TEA activities are reimbursable projects and applicants are expected to finance the project as it proceeds. Local funding share must be used in each phase.
- A match of approximately 12 match dollars to each 88 federal dollars for a total of 100 dollar units is required in each enhancement project phase.
- Administration agencies must receive an authorization to proceed before reimbursable work can begin in each phase.
- The project must be accomplished without an adverse effect on a cultural, historical, archaeological or environmental resource. Work must be done in compliance with the Secretary of the Interior's Standards for Archeology and Historic Preservation, the Secretary of the Interior's Standards for the Treatment of Historic Properties, or the California Historical Building Code and must be managed under the direction of cultural resource professionals meeting the education and experience standards published in the Code of Federal Regulations, 36 CFR, Part 61.
- In some circumstances, the cultural and sacred values of Native American or other ethnic community sites may require the inclusion of additional viewpoints. Evidence must be provided that appropriate representatives have been consulted.
- Responsibilities under the Americans with Disabilities Act (ADA) must be met.
- Provisions of the California Environmental Quality Act (CEQA), the National Environmental Policy Act (NEPA), other permitting, and local regulations must also be considered and included in a reasonable schedule.
- The project must be consistent or "not inconsistent" with regional and local transportation plans.
- The project must have a public, political sponsor and administering agency supervision.

## FURTHER INFORMATION:

U.S. Department of Transportation Federal Highway Administration (FHWA):

www.fhwa.dot.gov/tea21/index.htm

California Department of Transportation (CALTRANS) Program guidelines:

http://www.dot.ca.gov/hq/TransEnhAct/test/index.htm

CALTRANS local contact list:

http://www.dot.ca.gov/hq/TransEnhAct/schedule.htm

National Transportation Enhancement Clearinghouse:

http://www.enhancements.org

## UNITED STATES SMALL BUSINESS ADMINISTRATION (SBA)

The mission of the SBA is to maintain and strengthen the nation's economy by aiding, counseling, assisting, and protecting the interests of small business and by helping families and businesses recover from national disasters.

On a regular basis, SBA makes direct business loans, pre-qualifies loans, guarantees bank loans to small businesses, makes micro-loans, and helps business owners with management plans, technical and contracting assistance, and business training. Financial assistance is usually in the form of loan guarantees and pre-qualification, as the SBA guarantees loans made by banks and other private lenders to small business clients. The SBA also assists in plans to raise capital, provides micro-loans, explains equity investments, provides guarantees for contract surety bonds for bids, payment, performance and ancillary needs, advocates for government contracting, and supports initiatives for special interests such as Women Entrepreneurs, Veterans, Native American affairs, and management and business magazines.

In partnership with the Federal Emergency Management Agency (FEMA), it also assists in recovery from natural disasters by offering loans to homeowners or renters to repair or replace damages to real estate or personal property. Businesses of any size may apply for loans to repair or replace disaster damages to real estate, machinery, equipment, inventory and supplies. Economic injury recovery loans provide working capital to assist through the initial recovery period and are only for applicants who lack other resources.

### Business Loans

SBA defines a small business as one that is independently owned and operated and not dominant in its field. A small business must also meet the employment or sales standards developed by the Small Business Administration as based on the North American Industry Classification System (NAICS).

In general, SBA uses the following criteria to determine if a concern qualifies as a small business and is eligible for SBA loan assistance:

- WHOLESALE: Not more than 100 employees.
- RETAIL or SERVICE : Average (3 year) annual sales or receipts of not more than $6 million to most retail and service industries, and up to $29 million for others, depending on business type.
- MANUFACTURING: Generally not more than 500 employees, but in some cases up to 1,500 employees.
- CONSTRUCTION: Average (3 year) annual sales or receipts of not more than $12 million to $28.5 million, depending on the specific business type.
- AGRICULTURAL INDUSTRIES: $0.75 million for most industries in this category.

All assistance is in the form of loans, and applicants must have the ability to repay the loans. Collateral is required for larger loans, but does not necessarily have to cover the full amount. Repayment scheduling is based on applicant's ability to pay for up to a maximum of 30 years.

**Not eligible are:** Real estate investors, lenders, pyramid sales plans, properties supporting illegal activities, general gambling (limited lottery ticket sales or other state licensed activities are not ordinarily restricted), and charitable, religious, or other non-profit institutions, government-owned corporations, consumer and marketing cooperatives, and churches and organizations promoting religious objectives.

## Disaster Loans

The mission of SBA's Disaster Assistance Program is to offer financial assistance to those trying to rebuild their homes and businesses in the aftermath of a disaster. By offering low-interest loans, the SBA is committed to long-term recovery efforts.

Please note that the disaster that caused your damage must be an officially designated federal disaster in order for this program to take effect. In partnership with FEMA, the SBA will set up field offices to answer questions and process applications. SBA loans are not immediate emergency relief, as application processing usually takes seven to 21 days. The focus is on financing long-term rebuilding and repairing.

- **Home Disaster Loans:** Loans to homeowners or renters to replace damages to real estate or personal property. Renters may apply for personal property losses. Autos and mobile homes may also be eligible, but only for uninsured losses.
- **Business Physical Disaster Loans:** Loans to businesses to replace or repair damages to business property including real estate, machinery and equipment, inventory, and supplies. Note that businesses of any size are eligible for this disaster-related loan. In addition, non-profit organizations such as charities, churches, and private universities, etc. are also eligible.
- **Economic Injury Disaster Loans (EDIL):** Loans to provide working capital to small businesses and small agricultural cooperatives to assist with recovery. EDIL is for applicants with no credit available elsewhere; it is available only if the business and its owners cannot provide for their own recovery from non-government sources. Funds are intended to cover obligations as they mature and to pay ordinary and necessary operating expenses.

### DISASTER LOANS PROGRAM REQUIREMENTS

- **Size:** Businesses must meet small business definitions for general loans. Disaster loans do not require a business "size limit," and private home owners and renters may also apply.
- **Location:** Disaster Relief applicants must be located in a declared and designated federal disaster area.

- **Repayment:** SBA's business loan and disaster relief assistance is in the form of loans. Applicants must show the ability to repay all loans.
- **Collateral:** Business loans over $10,000 must be secured by the pledging of collateral to the extent that it is available. The SBA will however, make other arrangements if no collateral is available.

#### DISASTER LOANS LIMITATIONS

- Home loans are limited by regulation to a maximum of $200,000 to repair or replace real estate and $40,000 to repair or replace personal property. Actual amount is limited to the verified uninsured disaster loss.
- Business loans are limited by law to a maximum of $1,500,000 for real estate, machinery and equipment, inventory and all other physical losses. Actual amount is limited to the verified uninsured disaster loss.
- Economic Injury loans are limited by law to a maximum of $1,500,000 and reimburse only the actual economic injury as calculated by SBA and not covered by insurance, and otherwise beyond the ability of the business and its owners to provide.

SBA's business assistance and loans and the disaster recovery program can be very useful to help owners of small businesses housed in historic properties. The disaster recovery programs can assist private owners of historic properties conduct repairs and thus recover from natural disasters.

### FURTHER INFORMATION:

U.S. Small Business Administration http://www.sba.gov

## CALIFORNIA Cultural and Heritage Endowment (CCHE)
### Landmarks California Program

The California Cultural and Historical Endowment (the Endowment) was established at the California State Library in 2003 when then-Governor Gray Davis signed AB 716 (Firebaugh) (PDF) | (HTML) The Legislature intended the CCHE to raise the profile and scope of California's historic and cultural preservation program in an era of cultural homogeneity and dwindling historic structures. CCHE grants have helped to preserve the many historic treasures that are California's cultural legacy. These sparkling jewels belong to all of us collectively and convey important lessons about opportunity, hardship, innovation, injustice, perseverance, and redemption. Peer inside the CCHE jewel box at www.californiastreasures.org and discover the hidden gems of California's past, now preserved for generations to come.

In 2011, the CCHE published Preserving California's Treasures to showcase the 180 capital projects and planning grants funded by the CCHE. CCHE no longer has any copies of the first printing available to sell directly, but a limited number of copies are available at two retail outlets: The Pasadena Museum of History and The San Diego County Department of Parks and Recreation. To purchase a copy from the Pasadena Museum of History, call (626) 577-1660. To purchase a copy from the San Diego County Department of Parks and Recreation, call (858) 966-1308. CCHE is working to produce a second run of the publication due to the demand.

Since 2010, CCHE has been collaborating with leaders from several statewide preservation organizations and has played a central role in the development of an ongoing program called Landmarks California: the Places of our Diverse Histories and Cultures.

The Landmarks California program is intended to demonstrate the many positive outcomes of historic preservation: environmental and financial sustainability, a means of telling the many stories that comprise California's diverse history, and a social fabric strengthened by a sense of pride and belonging to the community. This ongoing program will continue to advance the CCHE's goal of strengthening and deepening Californians' understanding of California's history, its present society and themselves, with the end goal of better communities and neighborhoods. Visit www.landmarkscalifornia.org for more project details.

**FURTHER INFORMATION:**

California State Library California Cultural and Historical Endowment: http://www.library.ca.gov/grants/cche/

The Resources Agency has created a website where the public can obtain information about projects in their community funded by Proposition 40, which is now entirely allocated: Prop 40 Project Award Information

## CERTIFIED LOCAL GOVERNMENT GRANTS

In recognition of the need to involve local governments in historic preservation, the 1980 amendments to the National Historic Preservation Act provided a specific role for them in the national program by establishing the Certified Local Government (CLG) program. A CLG is a local government whose historic preservation program has been certified by the Office of Historic Preservation and the National Park Service. General requirements include a preservation ordinance, a qualified historic preservation review commission established by local law, a survey and inventory program, and adequate public participation in the local historic preservation program. Any local government is eligible to apply for certification, with the exception of regional commissions and councils of government. A local government is any general purpose political subdivision of California such as a city, county, or city/county government.

In order to strengthen the federal/state/local partnership, the Historic Preservation Fund (HPF), a line item in the federal budget, provides an annual grant to each state historic preservation office. At least ten percent of the state's annual HPF allocation is passed through to CLGs on a competitive basis. HPF grants are awarded to CLGs on a 60/40 (federal/local) matching basis. It is worth noting that Community Development Block Grant (CDBG) funds, discussed elsewhere in this document, are federal funds that may be used as local match for federal grants such as CLG grants.

In California, CLG grants can be used for historic preservation planning activities, but not for bricks and mortar projects. Funded activities include:

- General Plan Historic Preservation Elements
- Ordinance Revisions
- Historic Contexts and Surveys
- National Register of Historic Places District or Multiple Property Nominations
- Archeological Preservation Plans
- Design Guidelines for Historic Properties
- Preservation Education and Outreach Programs
- Historic Structure Reports/Preservation Plans
- Information Management and Technology

### FURTHER INFORMATION:

California's CLG Program: http://www.ohp.parks.ca.gov/default.asp?page_id=1072

National CLG Program: http://www.nps.gov/history/hps/clg/

# EARTHQUAKE RETROFIT PROGRAMS

## EXISTING GOVERNMENT FINANCIAL INCENTIVE PROGRAMS

There are a variety of local, state and federally funded government programs that have provided, or are continuing to provide, financial incentives for owners of single family homes, mobile homes or apartments to structurally retrofit those buildings.

**LOCAL GOVERNMENT PROGRAM EXAMPLES**
(PROGRAMS ARE ON-GOING UNLESS OTHERWISE NOTED)

- Santa Cruz County – Brace for the Quake Program (1992-1996)
- City of Los Angeles – Seismic Mitigation Loan Program
- City of Oakland – Project SAFE
- City of Berkeley – Seismic Retrofitting Incentive Program
- Association of Bay Area Governments (ABAG) Finance Authority for Nonprofit Corporations, Affordable Housing Program
- City of San Leandro – Earthquake Retrofit Programs

**STATE PROGRAMS**

### California Earthquake Authority – Residential Retrofit Program

CEA was established by State Legislature in 1996 as a privately funded, publicly managed entity to help California residents protect themselves against earthquake loss. In 1999, CEA launched SAFER (State Assistance for Earthquake Retrofits) in nine Bay Area counties. Enabling legislation can be found in the California Insurance Code, primarily in Sections 10089.5 through 10089.54.

### California Department of Insurance – Grant and Loan Program

This grant program has operated since 1996. It is designed for low to moderate income homeowners, and pays for such retrofitting procedures as foundation anchoring, securing water heaters, installing automatic gas shut-off valves, and installing bracing for sheer walls. The maximum grant amount is $8,000, or up to $30,000 for foundation repair/replacement work. Grants are competitive and rated on need and income. This program is slated to end in December 2004, although it may be extended.

## FURTHER INFORMATION:

Association of Bay Area Governments: Technical Appendix C, Existing Government Financial Incentive Programs for Earthquake Retrofit:

http://www.abag.ca.gov/bayarea/eqmaps/nightmare/finance.pdf

California Department of Insurance Earthquake Program:
http://www.insurance.ca.gov/0100-consumers/0060-information-guides/0040-residential/earthquake-insurance.cfm

California Earthquake Authority: http://www.earthquakeauthority.com

City of San Leandro: http://www.sanleandro.org/depts/cd/bldg/retrofit/

Saving Lives Through Earthquake Mitigation in Los Angeles:
http://www.huduser.org/publications/destech/bigone/sect1.html

Two publications that discuss seismic safety improvements, *The Commercial Property Owner's Guide to Earthquake Safety, 2005 Edition* (CSSC Pub. No. 05-01) and *The Homeowner's Guide to Earthquake Safety 2006 Edition* (CSSC Pub. No. 06-02), are available from the Seismic Safety Commission. Both are available in downloadable form or copies may also be purchased.

Seismic Safety Commission--general publications: http://www.seismic.ca.gov/pub.html

*The Commercial Property Owner's Guide to Earthquake Safety, 2005 Edition* (CSSC Pub. No. 05-01)
http://www.seismic.ca.gov/pub/CSSC_2006-02_COG.pdf

*The Homeowner's Guide to Earthquake Safety 2006 Edition* (CSSC Pub. No. 06-02)
http://www.seismic.ca.gov/pub/CSSC_2005_HOGreduced.pdf

# MARKS HISTORICAL REHABILITATION ACT

The Marks Historical Rehabilitation Act of 1976 authorizes cities, counties, and redevelopment agencies to issue tax-exempt revenue bonds to finance the rehabilitation of significant historic buildings. The Act specifies the conditions and criteria under which the bonds can be issued.

The Marks Bond Act appears to have rarely been used due to the restriction that developers may not make capital expenditures of more than $10 Million. Cities or counties are rarely willing to expend the time and money involved in issuing bonds for this small amount. If, however several major historic projects are undertaken in a jurisdiction at the same time and the collective costs and expenses total an amount high enough to justify staff time and fees to issue a bond, then the Marks Bond Act may prove to be a useful and desirable tool.

**RELEVANT SECTIONS FROM CALIFORNIA HEALTH AND SAFETY CODE SECTION 10**

NOTE: TEXT IS EXCERPTED, FOR FULL TEXT SEE LINK.

## Chapter 1: General Provisions and Definitions (Sections 37600-37603)

### Section 37601: Legislative Finding and Declarations

- State declaration that properties and structures of historical or architectural significance are an essential public resource and that it is necessary and essential that cities and counties be authorized to make long-term, low interest loans to finance the rehabilitation of properties of historic or architectural significance.
- Unless local agencies have the authority to provide loans for the rehabilitation of historic properties, many properties of historic or architectural significance will continue to deteriorate at an accelerated rate because loans from private sources are not sufficiently available for their rehabilitation.
- It shall be the policy of the state to preserve, protect, and restore the historical and architectural resources of the state.

### Section 36602: Definitions

- **Bonds:** Any bonds, notes, interim certificates, debentures, or other obligations issued by a local agency pursuant to this part and which are payable exclusively from the revenues, as defined in subdivision (k), and from any other funds specified in this part upon which the bonds may be made a charge and from which they are payable.
- **Financing:** The lending of money or thing of value for the purpose of rehabilitation of historical properties and includes refinancing of outstanding indebtedness of the participating party with respect to property which is subject to historical rehabilitation, the acquisition of historical properties for the purpose of historical rehabilitation, or the acquisition of historical properties rehabilitated by a redevelopment agency functioning pursuant to Part 1 (commencing with Section 33000) of this division.
- **Historical rehabilitation:** The reconstruction, restoration, renovation, or repair of the interiors or exteriors of historical properties or their relocation for the purposes of

restoring or preserving their historical or architectural significance or authenticity, preventing their deterioration or destruction, continuing their use, providing for their feasible reuse, or providing for the safety of the occupants or passersby. Historical rehabilitation includes, but is not limited to, the repairing of architectural facades or ornamentation; removal of inappropriate additions or materials; replacement of facades, ornamentation or architectural elements previously removed; repairing of roofs, foundations, and other essential structural elements; installing parking areas, if required by local regulation or law for the use for which the property is intended after rehabilitation.

- **Historic rehabilitation area:** A geographic area, with specific boundaries, which is designated by a local agency as an area in which an historical rehabilitation financing program shall apply. It may encompass the entire jurisdiction of the local agency, or any portions thereof, including single parcels.
- **Historical property:** Any building of part thereof, object, structure, monument, or collection thereof deemed of importance to the history, architecture, or culture of an area as determined by an appropriate governmental agency. An appropriate governmental agency is a local official historic preservation board or commission, a legislative body of a local agency, or the State Historical Resources Commission. Historic property includes objects, buildings, structures, monuments, or collections thereof on existing national, state, or local historical registers of official inventories, such as the National Register of Historic Places and State Historical Landmarks.
- **Rehabilitation standards:** The applicable local or state standards for the rehabilitation of historical properties, including any higher standards adopted by the local agency as part of its historical rehabilitation financing program and including standards established pursuant to Part 2.7 (commencing with Section 18950) of Division 13, except that, for properties listed on or eligible for listing on the National Register of Historic Places, rehabilitation standards shall mean, at a minimum, those standards set forth by the United States Department of the Interior as *The Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings* as those standards may be applicable to any particular historical rehabilitation.

**Chapter 2: Powers and Procedures (Section 37620-37631)**
References the following information:
- Issuance of bonds for financing work.
- Fees, charges, interest rates and terms and conditions.
- Criteria for eligibility, standards, and citizen participation.

**Chapter 3: Bond and Notes (Section 37640-37650)**
References the following information:
- Issuance of negotiable bonds or notes for financing the rehabilitation of properties.
- Types of properties and types of bonds.

**Chapter 4: Rehabilitation Loans (Section 37660-37662)**
References the following information:
- Loan agreements and conditions.

**Chapter 5: Construction and Effect (Section 37680-37682)**
References the following information:

- General public welfare, jurisdiction and authority information.

**Chapter 6: Supplemental and Additional Authority (Section 37683-37684)**
References the following information:

- Supplemental and additional information.

**FURTHER INFORMATION:**

California Health and Safety Code, Part 10

Health and Safety Code 37600-37603
http://www.leginfo.ca.gov/cgi-bin/displaycode?section=hsc&group=37001-38000&file=37600-37603

# MILLS ACT
## California Property Tax Abatement Program

Since 1972 the Mills Act, sponsored by Senator James Mills of Coronado, has provided property tax relief to help preserve designated historic properties in California. It is a permissive program subject to approval and adaptation by city and county governments.

In order to help rehabilitate and maintain qualified historic properties, the Mills Act program allows for the voluntary creation of a contract between a private property owner and the city or county to provide a reduction in property taxes. The property tax relief is calculated by the capitalization of income method by the county assessor to reflect the Mills Act restrictions placed on the property. Mills Act properties are subject to annual reassessments by County Assessors which may result in slight increases in property taxes each year.

### ELIGIBILITY

A property must be a "qualified historic property," which is a privately owned property (residential or commercial) not exempt from property taxation and is either:

- Listed individually in the National Register of Historic Places (NRHP) or as a contributor to a NRHP District; or
- Listed in any state, county, city, or city and county official register of historical or architecturally significant places, sites, or landmarks.

PROVISIONS

**The following items must be included in the language of the Mills Act contract, although**

**local historical ordinances may require other provisions:**

- Contract is for a minimum of 10 years
- Any work to restore or rehabilitate the property must follow the Secretary of the Interior's Standards for Rehabilitation and the California Historical Building Code
- Inspections as may be necessary to assure compliance with the provisions of the contract
- Recognize that the contract is binding on successors in interest to the original owner
- Provisions for penalties for termination of contract

The local agency may charge a reasonable fee for administering the program. OHP must be notified in writing within six months of entering into a contract. Subsequent contract questions or cancellation may involve review by the California State Historical Resources Commission.

NOTE: City or county governments may apply a more limited definition of a qualified historic property. For example, in Los Angeles only locally designated properties or contributors to locally designated districts may participate.

**FURTHER INFORMATION:**

**OHP Technical Assistance** http://www.ohp.parks.ca.gov/default.asp?page_id=21412

**Series #12**

# SEISMIC BOND ACT

## California Revenue and Taxation Code (RTC) Sections 70(d) and 74.5

Section 70(d) implements Proposition 23, approved by the voters in 1984, and provides a 15-year new construction exclusion for improvements to **unreinforced masonry buildings (URMs)** undertaken to comply with local ordinances on seismic safety.

Section 70(d) was repealed in legislation described in the State Board of Equalization Letter to County Assessors: Seismic Safety New Construction Exclusions in 2010. See Further Information below.

Section 74.5 implements Proposition 127, approved by the voters in 1990, and provides a new construction exclusion for seismic improvements and improvements utilizing earthquake hazard mitigation technologies. This exclusion applies only to existing buildings and structures. The provisions of section 74.5 do not apply to seismic safety reconstruction and improvements to URMs that qualify for exclusion provided in section 70(d).

Assembly Bill 184 (Chapter 330, Statutes of 2001) amended sections 70(d) and 74.5 of the Revenue and Taxation Code relating to new construction exclusions for certain seismic safety improvements. Specifically, Chapter 330 changed the filing deadlines and modified the definition of "improvements utilizing earthquake hazard mitigation technologies." This legislation became effective on September 25, 2001.

SEISMIC RETROFITTING IMPROVEMENTS and IMPROVEMENTS UTILIZING EARTHQUAKE HAZARD MITIGATION TECHNOLOGIES (RTC Section 74.5)

Section 74.5(b)(1) defines seismic retrofitting improvements. To exclude these improvements from assessment, they must fit into one of the following classifications:

- Retrofitting or reconstructing to abate falling hazards that pose serious danger
- Structural strengthening
- Improvements resisting seismic force levels during an earthquake to significantly reduce the hazards to life and safety and also provide safe entry and exit during and immediately after an earthquake

Seismic retrofitting also includes those items referenced in Appendix Chapters 5 and 6 of the Uniform Code for Building Conservation (UCBC) of the International Conference of Building Officials. UCBC Appendix Chapter 5 relates to the retrofit of concrete tilt-up buildings and provides requirements for wall anchors and diaphragm cross ties. UCBC Appendix Chapter 6 relates to prescriptive retrofit of residential cripple walls and foundation anchorage and provides prescriptive guidelines for bracing of cripple walls that can be implemented by the homeowner and/or contractor without requiring numerically based structural design.

### IMPROVEMENT AMENDMENTS

Chapter 330 amends the definition of improvements utilizing earthquake hazard mitigation technologies in section 74.5(b)(2) to mean improvements to existing buildings identified by a local government as being hazardous to life during an earthquake. Improvements shall involve strategies for earthquake protection of structures and use technologies such as those referenced in Part 2 (commencing with section 101) of Title 24 of the California Building Code and similar seismic provisions in the Uniform Building Code.

Previously the definition of improvements utilizing earthquake hazard mitigation technologies was keyed to certain technologies approved by the State Architect. However, rather than adopting regulations referenced in Health and Safety Code section 16102, the State Architect instead developed guidelines and seismic performance standards to insure the seismic performance of buildings utilizing earthquake hazard mitigation technology.

### FILING REQUIREMENTS

- Section 74.5 requires the property owner to notify the assessor prior to, or within 30 days of, completion of the project that the owner intends to claim the exclusion. In addition, all documents needed to support the claim must be filed no later than six months after completion of the project.
- It is the responsibility of the property owner, primary contractor, civil or structural engineer, or architect to certify to the building department those portions of the project that are either seismic retrofitting improvements or improvements utilizing earthquake hazard mitigation technologies.
- Upon completion of the project, the building department is to report to the county assessor the value of those portions of the project meeting either of these definitions.
- If the property changes ownership, the entire property, including the previously excluded new construction, is reappraised at its current full cash value as of the date of transfer. The new construction exclusion is available to the property owner who completes the construction; it is not passed along to subsequent owners.

### CLAIM FORM

- Section 74.5(d) requires that the State Board of Equalization prescribe the manner and form for claiming the exclusion. The Board of Equalization has done that with the distribution of the sample form BOE-64, attached to the letter in Further Information below.

## FURTHER INFORMATION:

California Revenue and Taxation Code Section 70-74.7
http://www.leginfo.ca.gov/cgi-bin/displaycode?section=rtc&group=00001-01000&file=70-74.7

State Board of Equalization Letter to County Assessors: Seismic Safety New Construction Exclusions, revised 2010:
http://www.boe.ca.gov/proptaxes/pdf/lta10036.pdf

Two publications that discuss seismic safety improvements, *The Commercial Property Owner's Guide to Earthquake Safety, 2005 Edition* (CSSC Pub. No. 05-01) and *The Homeowner's Guide to Earthquake Safety 2006 Edition* (CSSC Pub. No. 06-02), are available from the Seismic Safety Commission. Both are available in downloadable form or copies may also be purchased.

Seismic Safety Commission--general publications: http://www.seismic.ca.gov/pub.html

*The Commercial Property Owner's Guide to Earthquake Safety, 2005 Edition* (CSSC Pub. No. 05-01)
http://www.seismic.ca.gov/pub/CSSC_2006-02_COG.pdf

*The Homeowner's Guide to Earthquake Safety 2006 Edition* (CSSC Pub. No. 06-02)
http://www.seismic.ca.gov/pub/CSSC_2005_HOGreduced.pdf

## WILLIAMSON ACT PROGRAM

Enacted in 1965, the California Land Conservation Act, commonly referred to as the Williamson Act, allows local governments to enter into voluntary legal contracts (Land Conservation Contract) with private landowners in order to restrict specific parcels of land to agricultural or related open space use. In return, owners will receive lowered property tax assessments because the assessment will be based on farming and open space uses rather than speculative or full market value.

### PROGRAM GUIDELINES

- The local jurisdiction creates an Agricultural Preserve with rules and restrictions stating the agricultural use. Only land located within the boundary of a Preserve is eligible for a contract.
- Government code requires that Agricultural Preserves be a minimum of 100 acres. However, more than one contiguous parcel may be combined to form the 100 plus acres and more than one owner may be involved. A smaller plot that cannot be combined but is unique in its agricultural characteristics and its designation is consistent with the general plan may be established as a special Preserve.
- Local planning departments have the application forms and instructions. The minimum term for a contract is 10 years, although a longer length can be agreed upon, and it runs with the land and is binding upon all successors. The contract is automatically renewed every year for the full 10 (or more) years.
- Either the landowner or local jurisdiction can file a notice of non-renewal that starts a nine-year non-renewal period. An owner may object to a local jurisdiction non-renewal filing. At the end of the nine-year process, the contract is terminated. If an owner initiates non-renewal, the property taxes will increase significantly during the first year of the process.

Since January 1, 1995 three principles of compatibility are mandatory in any contract:

- Long-term productive agricultural use and capability will not be compromised
- No impairment or displacement of agricultural activity will occur including harvesting, processing or shipping
- No adjacent contracted land will be removed from agricultural or open-space use

In addition to the Williamson Act, in 1995 the California Legislature passed the Agricultural Land Stewardship Program, now known as the California Farmland Conservancy Program, as an incentive to further protect productive agricultural land from encroaching development. In exchange for conservation easement rights, the owner receives a one-time payment purchasing the difference between development and agricultural value and then also obtains a reduction in property taxes. A local government or non-profit land trust may initiate the program on behalf of the owner.

**FURTHER INFORMATION:**

## Williamson Act:

California Department of Conservation,
**Division of Land Resource Protection**

http://www.consrv.ca.gov/DLRP/lca

California Farmland Conservancy Program:
California Department of Conservation,
Division of Land Resource Protection

http://www.consrv.ca.gov/DLRP/cfcp/index.htm

## INTRODUCTION: LOCAL INCENTIVES

Local governments throughout California can preserve and promote their historic and cultural properties by providing financial incentives and removing disincentives to encourage owners to rehabilitate their buildings. Potential incentives include waiving or reducing building permit fees, waivers for zoning and parking requirements, low interest loans, grants, tax breaks, and special assessment districts to generate funds. Policies amenable to preservation could include additional reviews and ascertainment of financing and permits for new construction before demolition permits are granted.

The formation of historic residential districts such as Historic Preservation Overlay Zones (HPOZs) has been proven to create economic value in neighborhoods. Other incentives could include business development zones and incentive zoning mapping. Opportunities for enterprise can include business improvement districts (BIDs), redevelopment project areas, enterprise zones, foreign trade zones, recycling market development zones and renewal community designation.

Community supported historic preservation organizations can be important components in the protection and preservation of their area's architectural legacy and cultural history. These organizations can provide educational programs, tours, lectures and workshops on history, architecture and the benefits of historic preservation. Assistance may be available to help building owners restore their historic properties with consultation and referral services. A neighborhood website may provide area contacts, services, and guidance for preservation, rehabilitation and maintenance projects.

Advocacy to save endangered buildings may include purchasing neglected properties and returning them to productive use. Such programs may involve grant programs for low-income homeowners.

**NOTE**
Local incentives wanted! Local jurisdictions are welcome to submit their own regulations, ordinances, and any other incentives that promote and preserve historic properties for incorporation into this section. Any submission should include appropriate links. As time and budget allows, this section will be expanded.

**FURTHER INFORMATION:**

The Getty Conservation Institute, *Incentives for the Preservation and Rehabilitation of Historic Homes in the City of Los Angeles: A Guidebook for Homeowners*, 2004.
http://www.getty.edu/conservation/field_projects/lasurvey/index.html

Los Angeles Conservancy, Incentives for Preserving Historic Buildings:
http://www.laconservancy.org

Pasadena Heritage:
http://www.pasadenaheritage.org/

San Diego Citywide Business Development and Incentive Zone Map
http://www.sandiego.gov/economic-development/industry/incentive.shtml

Northern California Chapter of the Earthquake Engineering Research Institute:
http://www.eerinc.org/

## ADAPTIVE REUSE ORDINANCES

Planning, zoning and construction incentives can streamline the permitting process and provide flexibility in meeting zoning and building code requirements for adaptive reuse projects that convert underutilized commercial buildings into more productive uses such as loft type residential uses.

### potential benefits

- Coordination between city agencies to guide, assist and facilitate the adaptive reuse implementation through a project facilitating team that help the project through design, permitting and construction processes.
- Many non-compliant site conditions such as building height, parking, floor area and setbacks may be permitted without requiring a variance.
- Residential density requirement may be waived.
- Construction guidelines may provide some flexibility in meeting structural and fire and life safety compliance requirements.
- Conversion of existing buildings to privately-owned residential use may not necessarily trigger disabled access requirements in the residential use area, however disabled access would still be required in areas used by employees and that are open to the general public.

### eligibility and restrictions

- Eligible areas may be restricted
- Typically all new floor areas, except for mezzanines, must comply with city zoning code
- Average dwelling unit size and minimum size requirements may apply

### FURTHER INFORMATION:

City of Los Angeles Adaptive Reuse Ordinance #175588:
http://clkrep.lacity.org/onlinedocs/2002/02-0177-S1_ORD_175588_12-01-2003.pdf

Los Angeles Conservancy: http://www.laconservancy.org

## BUSINESS IMPROVEMENT DISTRICTS

Business Improvement Districts (BIDs) are a type of assessment district in which business owners choose to assess a fee for use in promoting and improving the business area. In California, BIDs date to 1965 with the approval of Assembly Bill 103; The Parking and Business Improvement Area Law. Today there are approximately 200 BIDs in the state. BIDs are one of the most valuable and effective finance tools available to the small business community.

### BENEFITS

- BIDs provide a business area with the resources to develop marketing campaigns, increase awareness and lobbying efforts, secure additional funding and enhance public improvement and beautification projects in partnership with a governing body.
- By pooling private resources, business owners in BIDs collectively pay for activities that they could not afford on an individual basis.
- BIDs can consistently enact programs and activities without relying on scarce public funding.
- An organized business community can work more effectively to create positive change and increase support for businesses in the area.
- BIDS can work closely with elected officials and city staff to voice collective concerns, monitor business regulations and obtain funding and support for their business development projects.
- Governing bodies may be able to assists BIDs to improve and diversify the economic base of the districts with market assessments, sales tax revenue assessments, business plans, property owner assistance, retail recruiting, and database collection to measure neighborhood economic activity.

### MARKETING ACTIVITIES

BIDs may develop a variety of successful marketing activities that generate business for the district. Activities can include:

- Special events such as restaurant or art gallery tours, block parties, weekly farmers markets and holiday festivals
- Developing public relations and marketing materials
- Use of Internet, coupon books, cooperative advertising campaigns, and district brochures
- Marketing the district to potential businesses in order to reduce vacancies, provide a good mix of businesses, and to strengthen the BID

### ADDITIONAL FUNDING

While BID assessments are typically used to leverage funding for a variety of projects, BIDs may also be able to receive additional funding through various local government agencies.

- BIDs may be eligible for matching funds, providing additional return on investment for individual small businesses and the BID as a whole.
- BIDS may be eligible to receive funds from governmental taxes or revenues such as transient occupancy tax or parking meter revenues.
- Corporate sponsorship may be available.
- Local government contributions may include streetscape improvements and redevelopment projects, or programs geared toward assisting individual businesses with matching grants to assist in storefront renovation costs.

### FORMING A BID

A BID is typically initiated by local business owners petitioning a local governing body to establish a BID on their behalf. Usually public hearings are held, and a majority of business owners must support the BID.

### FEES

The formula for establishing assessment fees is typically determined by the business organization that initiates the BID process. Assessments are usually based on the type, size, and location of the businesses, with assessment levied on the basis of relative benefit from the improvements and activities to be funded.

- The BID fee is a benefit assessment and not a tax
- The fee is collected on an annual basis, and included as a separate charge on the business tax certificate bill
- All assessment funds are returned to the BID through annual contract agreements

## FURTHER INFORMATION:

City of San Diego, Economic Development, Small Business Assistance
https://www.sandiego.gov/economic-development/business/index.shtml

https://www.sandiego.gov/economic-development/industry/incentive.shtml

City of Palo Alto, Economic Development and Redevelopment:
http://archive.cityofpaloalto.org/business/news/details.asp?NewsID=593&TargetID=9

## PROPERTY-BASED BUSINESS IMPROVEMENT DISTRICT

A Property-Based Business Improvement District (PBID) is one mechanism for a property and business owner collaborative. It is a partnership between the public and private sector organized for the improvement of a specific commercial area. The public sector cannot solve all the problems facing commercial districts today. The private sector must take the initiative.

### Characteristics of a PBID

PBID's are formed pursuant to the Property and Business Improvement District Law of 1994 (PBID Law). A PBID is a special benefit assessment district to raise funds within a specific geographic area. Funds are raised through a special assessment on real property.
Property owners determine the level of services and improvements necessary to fit the needs of the commercial area. A PBID may provide:

- Enhanced Security Services
- Enhanced Maintenance Services
- Marketing of the Area and Event Production
- Small Business Training
- Parking Management
- Business Recruitment and Retention
- Advocacy – One Unified Voice Representing the Area

Property owners determine the boundaries of the PBID and how much they are willing to spend to provide the services in the district.
PBID's provide supplemental services, over and above those provided by the city.
To form the district, property owners paying over 50% of the total assessment must sign petitions in support of the district.

A PBID is governed by a private non-profit corporation made up of a majority of property owners. All funds raised are returned to the private non-profit corporation governing the district, which is responsible for managing the district and delivering district services. PBIDS have a defined life, which cannot exceed 5 years pursuant to the PBID Law. Property owner support is required for renewal and the formation process must be followed. A Management District Plan spells out at a minimum the services to be provided, establishes the boundaries, the budget and the term of the district.

The International Downtown Association estimates that there are more than 1200 PBID's throughout North America. Competition is not just between businesses anymore, but between commercial areas as well. PBID's have an impressive track record for improving commercial areas. They have consistently reduced crime, enhanced cleanliness, and improved the business climate in cities throughout the country.

### FURTHER INFORMATION:

California Code Part 7: Property and Business Improvement District Law of 1994 [36600 – 36671] http://codes.lp.findlaw.com/cacode/SHC/1/d18/7

## PLANNING AND ZONING INCENTIVES

Local municipal codes and ordinances can provide incentives to preserving and protecting historic properties within a community. Historic preservation ordinances, planning and zoning variances and exceptions can all recognize the importance of protecting historic resources while providing leeway in modern code requirements and developmental pressures. It should be noted that all qualifying historic properties may implement the alternative measures provided under the California Historical Building Code.

### Potential Incentives

- Waiver, reduction, or reasonable alternatives to parking requirements
- Civil penalties to any person or entity who fails to maintain any qualified historic building
- Exclusion of basement and attics from floor area ratio calculations
- Transfer of development rights
- Density or floor area bonuses

| **Example** | |
|---|---|
| **City of Palo Alto**<br>Economic Development and Redevelopment<br>• Density bonus for historic properties contained in Municipal Code | http://archive.cityofpaloalto.org/business/news/details.asp?NewsID=593&TargetID=9 |
| City of Santa Cruz Title 24.12.445, "Variations to regulations for buildings and sites on city Historic Building Survey and contributing buildings within city historic districts" | http://www.codepublishing.com/ca/santacruz/ |

# ADDITIONAL LOCAL INCENTIVES

## Historic Preservation Plans

Components of historic preservation plans can provide powerful direction in the approach to preserving and protecting historic properties within a community. Such plans can call for:

- Requiring agencies to give priority consideration to using historic buildings in historic neighborhoods in downtown business areas

## Grants

Grants may be available from a number of foundations for neighborhood and community development. A successful grant could potentially fund:

- Assistance to low to moderate income families in acquiring the capital toward home ownership
- Improving residents' lives and upgrading neighborhood conditions
- Financial and technical assistance to qualifying homeowners living in historic homes that need repair
- Workshops on the maintenance of historic properties
- Development of historic context statements, historic property research and documentation, and development of archeological site preservation and management plans
- Creating and strengthening local alliances among organizations committed to affordable housing

| EXAMPLES | |
|---|---|
| Great Valley Center (California Central Valley area), Legaci Grants | http://www.greatvalley.org/legaci/index.aspx |
| Pasadena Heritage Housing | http://www.heritagehousingpartners.org/ |
| The San Francisco Foundation, the Community Development Program | http://www.sff.org/programs/community-development |

## Loans

Low interest loans are a great incentive to combat sprawl by encouraging residents to live and invest in their historic neighborhoods. Loans may be used for a variety of home maintenance and rehabilitation projects, provided the changes respect the

building's historic character. Eligible projects may include typical repairs to building features such as roofs, windows and porches; painting; interior work; and potentially additions. Loan amounts and terms may vary. It should be noted that the program may take substantial staff time to operate and monitor.

| **EXAMPLE** |
| --- |
| Cuyahoga County Heritage Home Loan Program (HHLP) |
| http://development.cuyahogacounty.us/en-US/housing-development.aspx |
| Cleveland Restoration Society Heritage Homes Program: |
| http://www.clevelandrestoration.org/homeowner/ |

### Neighborhood Organizations

Word of mouth is sometimes the best source of finding a good craftsperson, contractor or other historic preservation professional. Neighborhood and preservation organizations may be a good source for database lists and technical assistance guidelines and recommendations. Websites may include lists of architects, contractors and other professionals experienced with working on historic properties.

| **EXAMPLES** | |
| --- | --- |
| Anaheim Colony | http://www.anaheimcolony.com/ |
| City of San Jose, Historic Preservation | |
| | http://www.sanjoseca.gov/index.aspx?NID=1760 |

### Preservation Revolving Funds

Preservation revolving funds help to preserve, restore, and maintain buildings and properties of historical and architectural importance within a specific area for the benefit of future generations. A fund empowers an organization to purchase endangered properties, take action to preserve the property, then resell the property, making the proceeds available to save the next building. A fund is a worthy preservation tool that saves historic resources, supports grassroots improvement efforts, enhances the quality of life in communities, and puts an organization in the real estate market with the developer.

**PURPOSE**

- To preserve buildings, sites and properties of historical or architectural importance.
- To acquire important threatened buildings.
- To enhance the original character and scale of a building through careful rehabilitation while improving livability for modern households and uses.
- To place protective easements, covenants, and legal restrictions on historic properties.
- To restore, lease, option, or resell historic properties.

| **EXAMPLES** | |
|---|---|
| Save Our Heritage Organization: | www.sohosandiego.org |
| Others:<br><br>Preservation North Carolina: http://www.presnc.org/<br><br>Historic Boston, Inc.: http://www.historicboston.org/<br><br>Historic Landmarks of Indiana:<br>http://www.historiclandmarks.org/Resources/Pages/GrantsLoans.aspx | |

**Programs for Low and Moderate Income Homebuyers and Homeowners**

Creating affordable housing, revitalizing neighborhoods, and promoting homeownership for low to moderate income families can all benefit historic properties. Potential incentives include assistance in buying and/or rehabilitating an historic home.

| **EXAMPLES** | |
|---|---|
| The Getty Conservation Institute, *Incentives for the Preservation and Rehabilitation of Historic Homes in the City of Los Angeles: A Guidebook for Homeowners*, 2004. | |
| http://www.getty.edu/conservation/publications_resources/pdf_publications/pdf/historic-homes.pdf | |

## AMERICANS WITH DISABILITIES ACT AND TAX INCENTIVES

With the passage of the American's with Disabilities Act (ADA) in 1990 (PL 101-336), access to properties open to the public is a civil right. Most historical buildings were not designed to be readily accessible for people with disabilities, yet accommodating people with disabilities could jeopardize the significance and integrity of the historic nature of the property. In 1997, this Act was amended to balance accessibility and historic preservation.

The Americans with Disabilities Act requires equal opportunity for persons with disabilities in employment, government programs, telecommunications, transportation, and places of public accommodations, and can be assumed to be all buildings within a downtown commercial district. To the greatest extent possible, historic properties must be made as accessible as non-historic properties.

Two tax incentives are available to businesses to help cover the cost of making access improvements:

### DISABLED ACCESS TAX CREDIT (26 USC 44)

- This credit was created in 1990 specifically to help small businesses cover ADA related eligible access expenditures
- This credit cannot be used for new construction. Use is limited for adaptations to existing facilities that are required to comply with ADA
- The amount of the credit is equal to 50% of the eligible access expenditures in a year, up to a maximum expenditure of $10,250. There is no credit for the first $250 of expenditures. The maximum tax credit, therefore, is $5,000.

### EXPENDITURES TO REMOVE ARCHITECTURAL AND TRANSPORTATION BARRIERS TO THE HANDICAPPED AND ELDERLY (26 USC 190)

- This deduction was established under Section 190 to help businesses of any size with the removal of architectural or transportation barriers.
- The renovations under Section 190 must comply with applicable accessibility standards (Architectural and Transportation Barriers Compliance Board)
- The amount of the deduction is a maximum of $15,000 per year.

#### ELIGIBLE PROJECTS

- The Disabled Access Credit can be used for architectural adaptations, equipment acquisitions, and services such as sign language interpreters. Other eligible expenditures include:
  - provision of readers for customers or employees with visual disabilities
  - provision of sign language interpreters
  - purchase of adaptive equipment

- production of accessible formats of printed materials (i.e., Braille, large print, audio tape, computer diskette)
- removal of architectural barriers in facilities or vehicles (alterations must comply with applicable accessibility standards)
- fees for consulting services (under certain circumstances)

- The Expenditures deduction can be used for architectural or transportation adaptations and include:
  - provisions to make any facility or public transportation vehicle owned or leased by the taxpayer for use in connection with his trade or business more accessible to, and usable by, handicapped and elderly individuals

**ELIGIBLE ENTITIES**

- The Disabled Access Credit: A business that for the previous tax year had either revenues of $1,000,000 or less or 30 or fewer full-time workers
- The Expenditures deduction may be used by any business

**ADDITIONAL NOTES**

- Architectural barriers are physical features that limit or prevent people with disabilities from obtaining the goods or services that are offered. They can include narrow parking spaces, a step or steps to an entrance or sales area of a store, round doorknobs or other hardware difficult to grasp, narrow aisles, high counters, and fixed tables and chairs.
- A tax credit is subtracted from your tax liability after you calculate your taxes, while a tax deduction is subtracted from your total income before taxes, to establish your taxable income.
- Small businesses can use the incentives in combination if the expenditures incurred qualify under both Section 44 and Section 190. For example, a small business that spends $20,000 for access adaptations may take a tax credit of $5,000 (based on $10,250 of expenditures), and a deduction of $15,000. The deduction is equal to the difference between the total expenditures and the amount of the credit claimed.

**Example:** A small business' use of both tax credit and tax deduction

| | |
|---|---|
| $20,000 | cost of access improvements (rest room, ramp, three doorways widened) |
| -$5,000 | maximum credit |
| $15,000 | remaining for deduction |

- The tax credit and deduction can be used annually. Expenses cannot be carried over from one year to the next and a credit or deduction claimed for the portion that exceeded the expenditure limit the previous year. However, if the amount of the entitled credit exceeds the amount of taxes owed, the unused portion may be forwarded to the following year.
- The disabled access credit is claimed on IRS Form 8826
- For further details and information, these incentives should be reviewed with an accountant or discussed with a local IRS office or the contact below.

**PUBLICATIONS**

- ADA Guide for Small Businesses
- ADA Tax Incentive Packet for Businesses
- ADA Guide for Small Towns
- The ADA and City Governments: Common Problems
- Common ADA Errors and Omissions in New Construction and Alterations
- NOTE: Access tax pack site below for full listing of available publications

## FURTHER INFORMATION:

ADA Home Page http://www.usdoj.gov/crt/ada
ADA Tax Incentives Packet http://www.ada.gov/taxincent.htm

This packet contains information on the disabled credit available for small businesses and the tax deduction available for businesses of any size to help offset costs improving accessibility for customers or employees with disabilities. It also contains IRS forms for claiming the credit, a list of ADA publications available free from the Department of Justice, and a list of telephone numbers and Internet sites for answers to ADA questions.

The established design criteria for the construction and alteration developed by the ADA Access Board are known as the ADA Accessibility Guidelines (ADAAG).

ADAAG http://www.ada.gov/adastd94.pdf

Amendments to CCR Title 24, Part 2 http://www.dgs.ca.gov/dsa/Programs/progAccess/access2013.aspx

The Internal Revenue Service provides information about tax code provisions including tax credits (Section 44) and deductions (Section 190) that can assist businesses in complying with the ADA.

**Tax code - information about ADA tax incentives**

800-829-1040 (voice)
800-829-4059 (TTY)

**Tax code - legal questions about ADA tax incentives**

202-622-3120 (voice)
TTY: use relay service

To help businesses with their compliance efforts, Congress established a technical assistance program to answer questions about the ADA.

**The Department of Justice toll-free ADA Information Line**

800-514-0301 (voice)
800-514-0383 (TDD)

## GETTY CENTER GRANTS

The Getty Grant Program provides Conservation Grants to provide support for art collections, historic buildings, and archaeological sites. All grants promote the understanding and conservation of the visual arts. Grant category areas include research, conservation, and education and professional development. Since its inception in 1984, the Getty Grant Program has awarded over $177 million to support over 3,000 projects in more than 150 countries. Matching requirements vary according to the type of grant.

The following grants are available:

- Museum Conservation Grants: Survey and Treatment
- Architectural Conservation Grants; Planning and Implementation
- Special Initiative: Campus Heritage Grants
- Education and Training Grants

Museum Grants are designed to assist institutions in caring for their permanent collections. Survey Grants assist museums in identifying conservation requirements of art collections. Treatment Grants support conservation treatment of works of art of artistic significance. **For further information contact the web site below.**

Architectural Conservation Grants support organizations throughout the world in their efforts to preserve buildings or sites of outstanding architectural, historical, and cultural significance. Planning Grants assist in the initial development of an overall architectural conservation plan. Implementation Grants assist in the actual conservation of a building's historic structure and fabric.

Campus Heritage Grants assist colleges and universities in the United States to plan for the preservation of their significant historic buildings, sites, and landscapes.

**Education and Training Grants** are available for conservation training programs, museums, and other non-profit organizations to apply for various types of support that contribute to the professional development of conservators. **For further information contact the web site below.**

### FURTHER INFORMATION:

The J. Paul Getty Trust www.getty.edu/grants

# Architectural Conservation Planning Grants
## Getty Center Grants

- Provide up to $75,000 for the research, documentation, and analysis for development of a comprehensive conservation plan
- Focus on historic structure and fabric of buildings and conservation issues related to setting

### ELIGIBLE PROJECTS

- Funded activities include building condition surveys, use and maintenance planning, existing condition or technical drawing preparation, conservation technique testing and recommendations, budget estimates, comprehensive planning documents such as a conservation master plan or historic structures report
- Training opportunities
- May include temporary stabilization measures or development of archaeological site management plans

#### ELIGIBLE ENTITIES

Non-profit, charitable organizations. With the owner's approval, other nonprofit organizations involved in the care of the building may also be eligible.

In addition, the building must:

- be owned by a non-profit, charitable, or tax-exempt organization that is committed to its long-term preservation and maintenance;
- be accessible to or used for the benefit of the community; and
- possess the highest available governmental listing of significance available in the country in which it is located

Projects focused primarily on architectural replacement, routine maintenance, commercial reuse, or new construction are not eligible. Funding is not available for completed work or for overhead costs.

### TIMING

- April 10 deadline for Architectural Conservation Grants and Campus Heritage Grants

#### PROCEDURE

- First step in applying is to submit a preliminary letter of inquiry to determine eligibility. For information on the preliminary procedures and the grant process contact the web site below.

### FURTHER INFORMATION:

The Getty Grant Program www.getty.edu/grants

## *Architectural Conservation Implementation Grants*

**Getty Center Grants**

- Provide up to $250,000 for the actual conservation of an historic structure and fabric of a building or site
- Grants are intended to serve as models of conservation practice

### ELIGIBLE PROJECTS

- Grants are highly selective and eligibility is limited to projects for which planning work has been completed, including a conservation work plan, budget, and technical drawings and specifications
- Projects should include on-site training opportunities for students or professionals in architectural conservation or related disciplines, or for staff involved in ongoing building maintenance and preservation

### ELIGIBLE ENTITIES

- Non-profit, charitable organizations. With the owner's approval, other nonprofit organizations involved in the care of the building may also be eligible.

  In addition, the building must:
  - be owned by a non-profit, charitable, or tax-exempt organization that is committed to its long-term preservation and maintenance;
  - be accessible to or used for the benefit of the community; and
  - possess the highest available governmental listing of significance available in the country in which it is located

Projects focused primarily on architectural replacement, routine maintenance, commercial reuse, or new construction are not eligible. Funding is not available for completed work or for overhead costs.

### TIMING

- April 10 application deadline

### PROCEDURE

- First step in applying is to submit a preliminary letter of inquiry to determine eligibility. For information on the preliminary procedures the grant process, and frequently asked questions, contact the web site below.

### FURTHER INFORMATION:

The Getty Grant Program www.getty.edu/grants

*Campus Heritage Grants*

**Getty Center Grants**

- Assist U.S. colleges and universities to manage and preserve the integrity of their significant historic buildings, sites, and landscapes

## ELIGIBLE PROJECTS

- Focus on campus-wide preservation initiatives
- Historic resources surveys to create comprehensive inventory and to prepare nominations for historic designation for buildings, districts, and landscapes
- Preservation master plans for a campus or to augment an existing master plan with an historic preservation component
- Conservation analyses and working specifications, including documentation for building groupings or landscape, or preparation of historic structure or landscape report

## ELIGIBLE ENTITIES

- United States colleges and universities

Projects focused primarily on single buildings or sites, maintenance, reconstruction or replacement, upgrades, and new construction are not eligible.

Majority of grants made for planning activities. Implementation may be available on a limited basis for projects where planning and analysis have already taken place and a work program has already been determined.

## TIMING

- April 10 application deadline

## PROCEDURE

- First step in applying is to submit a preliminary letter of inquiry to determine eligibility. For information on the preliminary procedures the grant process, and frequently asked questions, contact the web site below.

## FURTHER INFORMATION:

The Getty Grant Program www.getty.edu/grants

## National Endowment for the Arts (nea)
### GRANTS FOR ARTS PROJECTS

**NEA offers grants that facilitate historic preservation through categories that support feasibility studies or historic rehabilitation planning. The following grant information is limited to specific funding for historic preservation activities, please note that each grant also funds other types of activities. Grants are not available for construction or acquisition.**

Access to Artistic Excellence

This category offers Standard Review Grants that may be applicable for certain projects related to historic properties. Funded activities can be loosely divided into two areas: Innovation and Stewardship. Grants are generally for over $10,000.

Innovation refers to activities that are design related and include competitions, commissions, workshops involving new projects, exhibitions of recent work, publications, and conferences or gatherings that promote innovation in design practice.

Stewardship refers to projects that protect, share, or celebrate our collective design heritage and include historic preservation activities, exhibitions and publications of the design of the past, education and outreach, and conferences and gatherings that promote the heritage and conservation of design.

- Funding is not available for construction, purchase, or renovation of facilities.
- Funding is available for predevelopment studies, design fees, and community planning.
- Grants also support events and activities related to cultural festivals, productions, or heritage tourism programs.

Challenge American Fast Track Review Grants

This program offers support to small and mid-sized organizations for projects that promote arts and related programs to underserved populations whose opportunities for art experience may have limits of geography, ethnicity, economics, or disability. Funded activities can be loosely divided into two areas: Arts in Community Development and Professional Arts Programming. Grants are for $10,000 each.

#### ARTS IN COMMUNITY DEVELOPMENT ELIGIBLE ACTIVITIES

- Architectural studies, design completions, charettes (design workshops), or feasibility plans for the renovation, restoration, or adaptive reuse of facilities or spaces for cultural activities.
- The revitalization or improvement of cultural districts through lighting, signage, or professionally managed promotional events.
- Festivals, particularly celebrations of local or regional cultural heritage.

- Promotion of arts events or cultural resources through the professional design and distribution of material such as calendars, Web sites, brochures, and souvenir programs. This may include projects that address cultural tourism efforts.
- Professionally directed public art projects such as murals, sculptures, or environmental art.

**FURTHER INFORMATION:**

National Endowment for the Arts (NEA) http://www.nea.gov/grants/apply/artsed.html

# NATIONAL ENDOWMENT FOR THE HUMANITIES (NEH)
## GRANTS

The National Endowment for the Humanities (NEH) Challenge Grants help institutions and organizations secure long-term improvements in and support for their humanities programs and resources. Eligible entities include any U.S. non-profit such as historical societies and historic sites, museums, public libraries, research institutions, scholarly associations, state humanities councils, colleges and universities, pubic television, radio stations, and other non-profit organizations. Grants may require significant matching funds.

Grants are most commonly used to establish endowments for ongoing humanities activities such as education, public programming, scholarly research, and preservation programs. Types of activities include faculty and staff positions, lectures or exhibition series, visiting scholars, publishing subventions, consultants, maintenance of facilities, acquisitions and preservation/conservation programs.

### Consultation Grants for Museums, Libraries, and Special Projects

This grant program is designed to help groups such as historical organizations, community organizations, museums, and libraries create a new project or develop a new interpretive direction for an institution. Grants are up to $10,000.

Projects should convey significant humanities ideas to the public, use creative formats to engage an audience, examine ideas and topics within a regional or national context and expand their impact and mission by involving new audiences or by serving as models to other organizations.

#### ELIGIBLE ACTIVITIES

- Historical organizations and museums projects that create interpretive exhibitions, interpret a historic site, and produce catalogs, public symposia and web sites to support the interpretation program.
- Libraries and archives projects that make collections accessible through reading or film discussion series, traveling exhibits, lectures, and public symposia. Curriculum materials, brochures, and websites are permissible support items for funding.
- Special projects that are usually sponsored by other groups than the above organizations. These are envisioned to be broad, inter-disciplinary formats to reach a regional or national audience at diverse venues and locales. Components may include a discussion series, lectures, or symposia, as well as related exhibits, publications, brochures or websites.

### Implementation Grants for Museums and Historical Organizations

Similar to the consultation grants, this program supports the realization of long-term exhibits, historic site interpretation, and supporting materials such as symposia, publications, websites, and related programming. Grants are up to $350,000.

Projects include final consultation with scholars or professional experts, final exhibit design, exhibit fabrication, crating and shipping, website development, publicity costs, public program presentation costs, and audience evaluation.

### Preservation Assistance Grants

This grant program assists small and mid-sized institutions such as historical societies, museums, libraries, archival repositories, town and county records offices, smaller departments within colleges and universities, and other similar organizations, to improve their capability to care for their humanity-related collections. Such collections may consist of architectural and cartographic records, archeological and ethnographic artifacts, historical objects, decorative and fine arts, furniture, textiles, archives and manuscripts, books and journals, prints and photographs, moving images, and sound recordings.

Applicants must consult with specialists whose preservation and conservation skills and experiences are related to the types of collections and activities that are the focus of their projects.

#### ELIGIBLE ACTIVITIES

- Assessment and recommendations reports for management and collection needs
- Disaster preparedness and response plans
- Environmental monitoring programs, pest management, security or fire protection
- Lighting and storage studies
- Assessing conservation treatments for selected collection items and materials
- Permanent storage furniture and supplies, and monitoring equipment

### We the People Challenge Grants in United States History, Institutions and Culture

To help Americans make sense of their history and the world around them, NEH has created an initiative “We the People,” which encourages exploration of significant events and themes in our Nation’s history and culture and which advances knowledge of the underlying principles that define America in their full historical and institutional context.

Support may be provided for strategic planning to improve a program by items for:

- Construction, renovation, and maintenance
- Preservation and conservation programs
- Acquisition of materials and equipment
- Direct expenditures through long-term depleting or bridging funds
- Establishing endowments which generate expendable earnings for program activities

## FURTHER INFORMATION:

National Endowment for the Humanities (NEH) http://www.neh.gov/grants/guidelines/challenge.html

## NATIONAL TRUST FOR HISTORIC PRESERVATION

The National Trust for Historic Preservation (NTHP) provides leadership, education, advocacy and resources to save America's diverse historic places and revitalize communities. Support for the National Trust is provided by membership dues, endowment funds, contributions, and grants.

### COMMUNITY PARTNERS

Community Partners assists preservation organizations, local governments and community development corporations in revitalizing historic properties, central business districts and urban neighborhoods.

- National Main Street Center
- National Trust Loan Funds
- Preservation Development Initiative
- Banc of America Historic Tax Credit Fund
- National Trust Small Deal Fund

### *FORUM*

- Cynthia Woods Mitchell Fund
- Johanna Favrot Fund
- National Trust Preservation Funds

### ADDITIONAL NTHP RESOURCES

- Preservation Resources Division

### FURTHER INFORMATION:

National Trust for Historic Preservation http://www.preservationnation.org/resources/find-funding/

The Trust's regional offices bring programs and tools of the National Trust to local communities. They offer technical assistance through consultations, field visits and financial assistance, primarily through small grants to help jump start local efforts. They convene educational preservation programs, and work to foster preservation-friendly public policies that affect historic places. They also provide leadership on issues that concern their particular region.

NTHP San Francisco Field Office:
http://www.preservationnation.org/contacts/field-offices/san-francisco.html

## National Main Street Center

### *National Trust for Historic Preservation*

The National Trust's Main Street Center offers a variety of consulting services that help communities identity revitalization issues and solutions and build or fine-tune local efforts. These services include basic and advanced training, analysis and consultation on a wide range of commercial district revitalization topics—all customized to local needs and resources.

The Center can assist your district with a comprehensive range of commercial district revitalization issues, including the following:

- Organizational Development
- Planning
- Business Retention/Recruitment
- Property Development
- Appearance of the District
- Transportation Planning
- Small Business Assistance
- Parking
- Funding for Revitalization
- Market Analysis
- Market-Driven Promotions

## California Main Street Association (CAMSA)

In 1986, California joined a growing national movement to improve the quality of life in America's towns, cities and neighborhoods by reinvigorating the economic health of their historic Main Street central business districts. Developed by the National Trust for Historic Preservation more than 25 years ago and administered by the non-profit National Main Street Center of the National Trust for Historic Preservation, the Main Street Program has utilized a public-private partnership of private investment, local government support, and local non-profit assistance to revitalize historic commercial districts. The locally-driven, grass roots, self-help "Main Street Approach" focuses on four points: organization, promotion, design, and economic restructuring.

**FURTHER INFORMATION:**

| | |
|---|---|
| National Main Street Center | http://www.mainstreet.org |
| CAMSA | http://www.ohp.parks.ca.gov/?page_id=23484 |

## National Trust Loan Funds (NTLF)

### *National Trust for Historic Preservation*

NTLF had a 30-year record of lending to low-income historic districts and to specific endangered historic resources. The program consisted of two preservation revolving funds. Combined asset base of these Funds had grown since 1994 from approximately $4 million to a total of $10 million.

The Loan Fund program has been discontinued by the National Trust. For a list of projects that were funded by the loan program, see the web page below.

**FURTHER INFORMATION:**

National Trust for Historic Places:
http://www.preservationnation.org/resources/case-studies/loan-funds/

## Preservation Development Initiative

### *National Trust for Historic Preservation*

**Sources of Funding**

This program combines a comprehensive approach to preservation-based economic revitalization. PDI helps targeted city governments assess, develop, and realize the full economic potential of their historic sites, landmarks and districts. The breadth of historic preservation resources and opportunities is first identified through a comprehensive assessment. Cities then set priorities for follow-up program assistance from the National Trust's Main Street, Community Partners, Regional Office and Heritage Tourism programs. This may include, for instance, providing matching grants to create a historic real estate revolving fund or organizing a city-wide Main Street program.

To support economic and community development through historic preservation, the PDI office:

- Designs 'packages' of comprehensive technical and financial services for client communities;
- Develops preservation-based economic development strategies, financial incentive programs, and preservation development demonstration projects;
- Uses the broad array of National Trust expertise in interdisciplinary teams and programs; and
- Builds strategic partnerships.

**FURTHER INFORMATION:**

National Trust for Historic Preservation-Preservation Development Initiative Report:
http://www.preservationnation.org/resources/technical-assistance/PDI_portfolio.pdf

National Trust for Historic Preservation: http://www.preservationnation.org/

National Trust for Historic Preservation Funds Application:
http://www.preservationnation.org/resources/find-funding/

## Tax Credit Equity Investments

### *National Trust for Historic Preservation*

### National Trust Community Investment Corporation

This fund is a partnership between the National Trust and financial partners which is managed by a subsidiary of the Trust that provides tax credit equity to for-profit and non-profit developers rehabilitating historic properties as well as New Markets Tax Credits. The Fund offers the National Trust's expertise in historic preservation, combined with the resources and financial strength of various financial institutions. It is managed by the National Trust Community Investment Corporation, a for-profit subsidiary of the National Trust. The fund:

- Invests in projects eligible for the Federal and state historic rehabilitation tax credit.

#### *ELIGIBLE PROJECTS*

- Buildings listed, or eligible for listing, in the National Register of Historic Places
- Rehabilitations having National Park Service approved Parts 1, 2 (prior to investment), and 3 (upon project completion) of the Historic Preservation Certification Application
- Non-historic, non-residential buildings built before 1936

#### *ELIGIBLE USES*

- Multi-family rental housing
- Office and retail
- Mixed-use
- Special purpose buildings (performing arts facilities, museums, schools, community centers)

#### *CREATING THE PARTNERSHIP*

Call or email the National Trust to discuss your project with an acquisitions manager, including such items as:

- Support of local historic preservation organizations, the community, and public officials
- Development team and their experience with rehabilitation tax credits projects
- Development budget and sources of financing

The National Trust Community Investment Corporation offers competitive pricing, flexible pay-in and reasonable deal terms and structuring. Developers also have access to Bank of America's full line of debt and equity products, as well as the nationwide resources of the National Trust.

**FURTHER INFORMATION:**

The NTCIC funds website also contains a rehabilitation tax credit guide, and an interactive, online tutorial on qualifying, earning and redeeming the 10% and 20% rehabilitation tax credits.

National Trust Community Investment Corporation:

www.ntcicfunds.com

NTHP acquisitions manager email for inquiries:

Community_partners@nthp.org

## Tax Credit Equity Investments

### *National Trust for Historic Preservation*

#### National Trust Small Deal Fund

Is a partnership between Tax Credit Capital and a subsidiary of National Trust for Historic Preservation designed to help developers of historic properties that generate an equity investment of less than $650,000 (total project costs of approximately $4 million or less). The Fund operates on the belief that the most efficient way to get these smaller transactions done is to use a standard deal template. Using a set pay-in structure, standard documentation, and streamlined due diligence process, the Fund's closing costs are nominal ($10.000). Developers are responsible for their own counsel, and are strongly encouraged to use counsel with tax credit experience.

The National Trust Small Deal Fund pays up to $.89/$1.00 of credits it receives. The equity is paid in installments. A nominal ($100) contribution is made at closing, 85% is paid upon receipt of a Part III from the National Park Service, and the remaining 15% (less the initial $100) is paid in at 6 months of breakeven operations.

#### FURTHER INFORMATION:

National Trust for Historic Preservation Small Deal Funds:
http://ntcicfunds.com/services/developer/small-deal-fund/

## Cynthia Woods Mitchell Fund

### *National Trust for Historic Preservation Forum*

NOTE: National Trust Forum membership is required in order to receive a grant.

Fund purpose is to assist in the preservation, restoration, and interpretation of historic interiors. Grants range from $2,500 to $10,000. It is anticipated that total grants of $50,000 per year will be made. With rare exception, grants require a dollar-for-dollar match.

***ELIGIBLE PROJECTS***

- Consultant services with expertise in architecture, planning, paint analysis, archeology, fund raising, media relations, education, or graphic design
- Professional advice to strengthen management capabilities
- Designing, producing and marketing print and video communications materials
- Sponsoring preservation conferences and workshops
- Designing and implementing innovative preservation education programs

Acquisition of real property or objects, staff salaries, overhead costs, construction or other capitol improvement costs, expenses incurred prior to the award date, and bricks and mortar construction, repair, and rehabilitation are not eligible.

***ELIGIBLE ENTITIES***

- Non-profit organizations
- Government agencies
- Individuals and for-profit businesses if the project involves a National Historic Landmark

**SELECTION CRITERIA**

- Historic significance of the property
- Extent to which the requested assistance will act as seed money to make a difference in preserving, restoring or interpreting the historic interior, including what other funds might be leveraged by an award
- Effort which owners and local supporters are willing to commit to the project
- Potential of project to be a catalyst for further positive action to benefit other historic interiors, properties, neighborhoods, or communities
- Adequacy of plans for the future maintenance of the property or the continuation of the activity for which grant support is requested
- Ability and willingness of applicant to carry out proposed plans or activities

**TIMING**

- One funding round each year. Applications must be postmarked by February 1.

### FURTHER INFORMATION:

Cynthia Woods Mitchell Fund:

http://www.preservationnation.org/resources/find-funding/special-funds/cynthia-woods-mitchell.html

# Johanna Favrot Fund

## *National Trust for Historic Preservation Forum*

NOTE: National Trust Forum Membership is required in order to receive a grant.

Fund purpose is to save historic environments in order to foster appreciation of the nation's diverse cultural heritage and to preserve and revitalize the livability of the nation's communities. Grants range from $2,500 to $10,000. It is anticipated that total grants of $50,000 per year will be made. Grants require a dollar-for-dollar match.

### *ELIGIBLE PROJECTS*

- Consultant services with expertise in architecture, planning, economics, archeology, fund raising, media relations, education, or graphic design
- Professional advice to strengthen management capabilities
- Designing producing and marketing print and video communications materials
- Sponsoring preservation conferences and workshops
- Designing and implementing innovative preservation education programs

Acquisition of real property or objects, staff salaries, overhead costs, construction or other capitol improvement costs, expenses incurred prior to the award date, and bricks and mortar construction, repair, and rehabilitation are not eligible.

### *ELIGIBLE ENTITIES*

- Non-profit organizations
- Government agencies
- Individuals and for-profit businesses if the project involves a National Historic Landmark

### SELECTION CRITERIA

- Historic significance of the property, and the present or potential charm of the property, neighborhood, or community
- Extent to which the requested assistance will act as seed money to make a difference in preserving or rehabilitating an historic property, including what other funds might be leveraged by an award
- Effort which owners and local supporters are willing to commit to the project
- Potential of project to be a catalyst for further positive action to benefit other adjacent historic properties, neighborhoods, communities, or open space
- Adequacy of plans for the future maintenance of the property or the continuation of the activity for which grant support is requested
- Ability and willingness of applicant to carry out proposed plans or activities

### TIMING

- One funding round each year. Applications must be postmarked by February 1.

**FURTHER INFORMATION:**
Johanna Favrot Fund:
http://www.preservationnation.org/resources/find-funding/special-funds/johanna-favrot-fund.html

## National Trust Preservation Funds

### *National Trust for Historic Preservation Forum*

**NOTE: National Trust Forum Membership is required in order to receive a grant.**

Fund purpose is to encourage preservation at the local level by providing seed money for preservation projects. Grants help stimulate public discussion, enable local groups to gain technical expertise needed for particular projects, introduce the public to preservation concepts and techniques, and encourage financial participation by the private sector. Grants range from $2500 to $5,000. It is anticipated that total grants of $50,000 per year will be made. Grants require a dollar-for-dollar match.

- Applications must be mailed to the appropriate National Trust regional office.
- Applicants must contact their regional offices to discuss the project before applying.

***ELIGIBLE PROJECTS***

**Planning:** Support for obtaining professional expertise in architecture, archeology, engineering, preservation planning, land-use planning, fund raising, organizational development and law.

- Hiring a preservation architect or landscape architect to produce an historic structures report or landscape master plan
- Hiring a preservation planner to produce design guidelines for an historic district
- Hiring an organizational development consultant to facilitate a strategic planning retreat for a preservation non-profit
- Hiring a real estate development consultant to develop an economic feasibility study for the reuse of a threatened structure
- Hiring a fund raising consultant to develop a capital campaign for a building rehabilitation
- Sponsoring a community forum to develop a shared vision for the future of an historic neighborhood

**Education and Outreach:** Support for preservation education activities to educate the public.

- Sponsoring a workshop on the preservation of burial grounds or cultural landscapes
- Underwriting travel costs or honoraria for a keynote speaker at a statewide preservation conference
- Preparing a manual on the use of transportation enhancement funds for preservation projects
- Developing curriculum on ethnic heritage of school children
- Hiring a media relations consultant to develop a media campaign for an endangered properties list

Acquisition of real property or objects, academic research, historic resource surveys, and building or other construction activities are not eligible.

#### ELIGIBLE ENTITIES

- Non-profit incorporated organizations or public agencies
- Capable of matching the grant amount dollar-for-dollar

#### ELIGIBLE SOURCES OF MATCHING FUNDS

- Cash contributions from private or public sources
- Earned income from registration fees or fund raising activities

Staff salaries and organizational overhead costs are not eligible.

#### SELECTION CRITERIA

- Critical and urgent need
- Uniqueness and significance
- Timetable
- Personnel qualifications
- Budget, Match, and Support
- Long Term Results
- Effects on other local preservation activities

#### CONDITIONS

- Grantees must be National Trust Forum members
- Consultants must be approved by the National Trust before grants funds are disbursed
- At least three competitive bids must be obtained for any procurement of services that exceeds $10,000
- Applicants must agree not to discriminate against any employee or applicant for employment because of race, color, religion, sex, age, national original or sexual orientation
- Grant recipients must include acknowledgement of National Trust financial support in all printed materials generated for the project
- All preservation work must conform to the Secretary of the Interior's Standards
- PSF grants or matching funds cannot be used to influence a member of Congress to favor or oppose any legislation or appropriation
- All work supported by previous PSF awards must have been satisfactorily completed and a final report and financial accounting of the grant approved.

#### TIMING

- Contact the National Trust to obtain information regarding application deadlines

## FURTHER INFORMATION:

National Trust Preservation Funds:
http://www.preservationnation.org/resources/find-funding/preservation-funds-guidelines-eligibility.html

## Additional Programs

### *National Trust for Historic Preservation*

- **PRESERVATION LEADERSHIP FORUM:** http://www.preservationnation.org/leadership-forum.html
- **PRESERVATION LEADERSHIP TRAINING:** http://www.preservationnation.org/resources/training/plt/
- **NATIONAL TRUST CONFERENCES AND TRAINING:** http://www.preservationnation.org/resources/training/
  - Mission to strengthen and support a network of committed and informed preservation leaders by providing the tools and resources needed to carry out preservation activities in their own communities
  - Training is provided to increase the capacity of organizations and agencies working in the field of historic preservation
  - Programs include Preservation Leadership Training and the Better Boards workshop

- **HERITAGE TOURISM:**
http://www.preservationnation.org/information-center/economics-of-revitalization/heritage-tourism/
  - The National Trust Heritage Tourism Program is a fee-for-service consultation that offers a network of partners and resources
  - Assists in assessing resources and creating plans for sustainable heritage tourism programs
  - Provides a national awareness and advocacy role

- **PRESERVATION DEVELOPMENT INITIATIVE REPORT:** http://www.preservationnation.org/resources/technical-assistance/PDI_portfolio.pdf
  - **PDI will help local leaders make preservation a central part of their community's broader economic and community development strategy**
  - Grant recipients will receive a range of assistance, including a comprehensive preservation development strategy
  - Organizational capacity building, commercial revitalization programming, residential redevelopment and heritage tourism are a few areas where the PDI can help

- **RURAL HERITAGE DEVELOPMENT INITIATIVE:** http://www.preservationnation.org/information-center/saving-a-place/rural-heritage/rural-heritage-development-initiative/rural-heritage-development.html
  - Funded program by the National Trust, the W. K. Kellogg Foundation and local partners, the RHDI is dedicated to the recognition and protection of rural historic and cultural resources
  - Supports efforts of rural communities through educational programs, publications, and technical assistance
  - Provides both fee and no-fee services

- **YOUR TOWN DESIGN WORKSHOPS** www.yourtowndesign.org/
    - Leadership initiative, developed by the National Trust and the National Endowment for the Arts, that responds to the design need of small towns and rural areas
    - Addresses issues of community integrity and character through process of design in a participatory workshop

## PARTNERS FOR SACRED PLACES (PARTNERS)

**National Center for the Stewardship and Preservation of Historic Religious Properties**

NOTE: **No direct grants or funding is available from the Partners but they actively encourage development of fund-raising skills.**

Partners is the only non-sectarian, national non-profit organization that is dedicated to assisting communities and their congregations retain and actively use historic and older sacred properties. It is also dedicated to promoting an understanding of how sacred places can sustain communities. Assistance includes an information clearing house, a publication center, professional referrals, and training workshops that explain how to promote your property for community support and fund raising.

- Founded in 1989 by a national task force of religious, historic preservation and philanthropic leaders. Has served over 100,000 locally based sacred places across the nation.
- In 1998, published the landmark study *Sacred Places at Risk,* which defines for the first time the pattern and intensity of community service programs operating in aging and culturally valued religious buildings.
  This study has further defined the focus of the Partners program:
  - 90% or more of older congregations share their facilities with the larger community
  - 80% of beneficiaries are non-members of the congregation
  - More than 75% of congregations use their own facilities to house outreach programs
  - These facilities face hundreds of thousands of dollars in deferred maintenance and repairs for roofs or other structural problems that put the existing buildings and programs at risk

### PROGRAM ASSISTANCE

- **Information Clearinghouse** is a unique, broad-ranged resource that makes available over 8000 sources on 250 different subject categories focused on the care and use of older sacred places.
- **Sacred Places Toolkit** is a compilation of workbooks, case studies, video, and web-based programs that assist congregations in defining their "public value" and describing it to policymakers, funders and other community partners.
- ***Open the Doors, See All the People: A Guide to Serving Families in Sacred Places*** explains creative ways to focus on providing services to children and families.
- **Sacred Trusts Conference** is a national conference with an audience of clergy, lay leaders, preservationists, community leaders and policymakers to discuss both care of buildings and outreach programs.
- **Advocacy Initiatives** actively carries the message of **Sacred Places at Risk** to civic leaders, funders, and policymakers to encourage creative ways to adopt broad support for older religious properties.

### FURTHER INFORMATION:

Partners for Sacred Places: http://www.sacredplaces.org/

## SAVE AMERICA'S TREASURES

Save America's Treasures is a public-private partnership between the National Park Service and the National Trust for Historic Preservation dedicated to identifying and rescuing the enduring symbols of American tradition that define the nation. Grants are administered by NPS in partnership with the National Endowment for the Arts, the National Endowment for the Humanities, the Institute of Museum and Library Services, and the President's Committee on the Arts and Humanities. Grants are awarded through a competitive process.

Grants require a dollar-for-dollar non-federal match, which can be cash or donated services. The grant and match must be used during the grant period to execute the project. The minimum grant request for collections projects is $50,000, the minimum grant request for historic property projects is $250,000. Maximum grant request for all projects is $1 million.

#### ABOUT THE PARTNERSHIP

- The National Trust for Historic Preservation works to help official projects of SAT encourage local preservation efforts, and attract gifts to support community projects
- The National Endowment for the Arts pre-reviews applications for collections, artworks, and monuments and administers the arts-related grants
- The General Services Administration assists the NPS in initial application review and coordinating the expert panel
- All partners offer technical assistance and advice about the program

#### ELIGIBLE PROJECTS

Preservation and/or conservation work on nationally significant intellectual and cultural artifacts and nationally significant historic structures and sites. Intellectual and cultural artifacts include artifacts, collections, documents, sculpture and works of art. Historic structures and sites include historic districts, sites, buildings, structures and objects.

- A structure or building must be listed or considered eligible by the SHPO for listing on the National Register of Historic Places at the national level of significance.

#### ELIGIBLE ENTITIES

- Federal Agencies funded by the Department of the Interior and Related Agencies Appropriations Act
- Non-profit, tax-exempt 501(c) U.S. organizations
- Units of state or local government
- Federally recognized Indian Tribes
- Other federal agencies collaborating with a non-profit partner to preserve the historic properties or collections owned by the federal agency may submit applications through the non-profit partner
- Historic properties and collections associated with active religious organizations provided they meet the Grant Selection Criteria

Acquisition, surveys, inventories, cataloging, maintenance, curatorial work beyond the grant period, interpretive or training programs, reconstruction, moving buildings, new construction, and historic structures reports and condition assessments not part of a larger project, cash reserves, endowments, revolving funds, fund raising, work completed prior to announcement of the award are not eligible. Federal salaries, agency overhead or administrative costs for federal agency grantees are not eligible.

**SELECTION CRITERIA**

- Collections or historic properties must be nationally significant
- Collections or historic properties must be threatened, endangered or otherwise demonstrate an urgent preservation and/or conservation need
- Projects must address the threat and must have a clear public benefit
- Projects must be feasible, and the applicant must demonstrate ability to complete the project and match the federal funds

**TIMING**

- Application materials for the each grant cycle are available at the beginning of each year.

## FURTHER INFORMATION:

NPS Save America's Treasures Information http://www.nps.gov/history/hps/treasures/
List of Save America's Treasures CA projects:
http://www.nps.gov/state/ca/list.htm?program=parks,9F930D5E-155D-4519-3E48DF37EBF81B52

| Save America's Treasures Official Project list for California (Since January, 2001) | |
|---|---|
| 1894 Carmel Fallon Building | San Francisco |
| Alcatraz Island Gardens | San Francisco |
| Amargosa Opera House and Hotel | Death Valley Junction |
| Angel Island Immigration Station | San Francisco |
| Anthropology Audio Visual Collection | Berkeley |
| Anthropology Collection, Santa Barbara Museum of Natural History | Santa Barbara |
| Bodie Historic Mining District | Bridgeport |
| Breed Street Shul (Congregation Talmud Torah) | Los Angeles |
| Bullocks Wilshire Building | Los Angeles |
| Calexico Carnegie Library | Calexico |

| | |
|---|---|
| Calfax Depot | Calfax |
| Campo de Cahuenga | North Hollywood |
| Captain Fletcher's Inn | Elk |
| Casa de Dana | San Luis Obispo |
| Casa Grande | Santa Clara Co. |
| Charles Connick's Stained Glass Windows, Grace Cathedral | San Francisco |
| Conservatory of Flowers | San Francisco |
| Cooper-Molera Adobe | Monterey |
| The Doheny Mansion | Los Angeles |
| Dr. John Marsh Stone House | Brentwood |
| The Ebell of Los Angeles, Historic Women's Club | Los Angeles |
| El Garces Train Depot | Needles |
| Emporium Building | San Francisco |
| Ennis-Brown House | Los Angeles |
| Estudillo Mansion | San Jacinto |
| Ferryboat *Berkeley* | San Diego |
| First Church of Christ, Scientist | Berkeley |
| Fox Theater | Stockton |
| Fremont Adobe | Monterey |
| Gamble House | Pasadena |
| Grabhorn Institute for the Printing Arts | San Francisco |

| | |
|---|---|
| Great Stone Church Monument, Mission San Juan Capistrano | San Juan Capistrano |
| Hearst Metronome Newsreel Collection | Hollywood |
| History of New American Music Preservation Project | Berkeley |
| Kelley House Museum | Mendocino |
| Keystone-Mast Stereographic Collection | Riverside |
| Knight Foundry Historic Water-Powered Iron Works | Sutter Creek |
| Leo Carillo Ranch | Carlsbad |
| Locke Historic Building House | Locke |
| Lopez Adobe | San Fernando |
| Manzanar Internment Camp Perimeter Fence, Manzanar National Historic Site | Independence |
| Maritime History Center of Working Families | Richmond |
| Mendocino Woodlands State Park | Mendocino |
| Mission San Luis Rey | Oceanside |
| Mission San Miguel | San Miguel |
| Monterey Jazz Festival Audio Collection | Stanford |
| Murray Schoolhouse | Dublin |
| Pasadena Playhouse State Theatre of California | Pasadena |
| Old Mint | San Francisco |
| Oroville Historic Site Theatre | Oroville |
| Peralta Hacienda Historical Park | Oakland |
| Pier 1, San Francisco Port of Embarkation, Golden Gate National Recreation Area | San Francisco |
| Plaza House and Vickrey-Brunswig Complex | Los Angeles |
| Rancho Los Cerritos Master Plan | Long Beach |
| R. Buckminster Fuller Recordings at Stanford University | Stanford |
| Rios Caledonia Adobe | San Miguel |
| SS *Jeremiah O'Brien* | San Francisco |

| | |
|---|---|
| San Diego Museum of Man | San Diego |
| San Francisco Examiner Photo Archive | San Francisco |
| Shafter Research Center | Shafter |
| Southwest Museum of the American Indian Collection | Los Angeles |
| Tachi-Yokut History and Cultural Center | Coalinga |
| Thomas Hansford William House, Gold Discovery Park Association | Coloma |
| Touro University School of Nursing | Vallejo |
| Tule Lake Interment Camp | Tule Lake |
| U.S. Borax Company Headquarters | San Francisco |
| *USS Hornet* | Alameda |
| Walker-Eisen Building | Los Angeles |
| Western Philatelic Library Stamp Collection | San Francisco |
| Whelan Ranch House and Barn | Oceanside |

# THE 1772 FOUNDATION
## Stewart B. Kean Foundation

The 1772 Foundation is named for its initial project, which was to restore the 23-acre Livingston/Kean Family estate as a museum in Union, New Jersey. Its Mission is to preserve and enhance American historical structures for generations to enjoy, with particular interest in farming, industrial development, transportation, and unusual historical buildings.

#### ELIGIBILITY

- **Applications from anywhere in the United States will be accepted.**
- Strong local support is a prerequisite for funding, and those organizations that have obtained matching funds are most favorably considered.
- No grants will be made to schools or churches, or for operating expenses, management fees, or professional fees.

#### SELECTION CRITERIA

In the interest of providing a prompt feedback on projects, the 1772 Foundation requires submission of a one-page letter of inquiry e-mailed from their web-site. The letter should include:

- A synopsis of the proposed project,
- A brief history of the site,
- A clear statement of funding needs.

Letters are reviewed throughout the year. Projects that appear to be a good match to the Foundation's mission and funding availability will be invited to submit a full application.

Previously funded projects include the U.S. Lighthouse Society in San Francisco, the Chamberlain Observatory in Colorado, the Brayton Grist Mill in Connecticut, the Willard Clock Museum in Massachusetts, the Battleship New Jersey in Middleton, and the Museum of the American West in Wyoming.

### FURTHER INFORMATION:

The 1772 Foundation http://www.1772foundation.org

## CALIFORNIA HISTORICAL BUILDING CODE (2010)

**The purpose of the California Historical Building Code (CHBC) is to provide regulations for the preservation, restoration, rehabilitation, relocation or reconstruction of qualified historic buildings or properties. These regulations are intended to facilitate alternative solutions for such historic buildings or properties so as to preserve their original or restored architectural elements and features. At the same time, it provides for the safety of occupants, for the reasonable accommodation of people with disabilities, for a cost-effective approach to preservation, and for reasonable accommodation to the need for energy conservation.**

- **A "qualified historical building" is defined as any building, site, structure, object, district or collection of structures, and their associated sites, deemed of importance to the history, architecture or culture of an area by an appropriate local, state or federal government jurisdiction.**

As defined in its purpose, the CHBC is a source of incentives for the preservation of a community's historic resources. And while these provisions are intended to maximize the protection and preservation of these resources, they also translate into cost-effectiveness:

- The "triggers" for full upgrading to current standards, with respect to length of vacancy, change of occupancy, or percentage of value of the work proposed, and which exist in other codes, are not recognized by the CHBC, which concentrates instead on the preservation-sensitive resolution of genuine safety considerations.
- Structural/Seismic upgrading issues are governed by the CHBC, permitting design based on real values of archaic materials, and solutions based on engineering principles and professional judgement, rather than solutions limited to codified prescriptive formulas. This flexibility usually translates into a higher degree of retention of historic fabric.
- Because most qualified historical buildings cannot conform to California's energy standards without the alteration or loss of historic features, they are categorically exempt from those standards. To the degree practicable, new construction associated with the historic resource should conform.
- With respect to qualified historical buildings, both ADA and the CHBC make provisions for reasonable levels of equivalency for, and under special circumstances exemption from, accessibility mandates.

The CHBC is the governing code for all qualified historical buildings, and is applicable in every jurisdiction. Responsibility for the CHBC resides within the statutorily established State Historical Building Safety Board (SHBSB). It is comprised of 21 members from the entire spectrum of the public, private and non-profit sectors related to the issue of historic buildings and is established to recommend rules and regulations associated with the CHBC and to hear appeals.
The CHBC is published as Chapter 34, Division II of the California Building Code. However it is a "stand-alone" document: Part 8 of Title 24 of the California Code of Regulations, undergirded by Statute (Health & Safety Code 18950-18961, cited as the

"State Historical Building Code"), and enacted into law by the California Legislature in 1975.

#### ACCESS AND HISTORIC RESOURCES

The protection and preservation of the Nation's cultural legacy is, like accessibility mandates, a reflection of the will of the people of the nation and the state. The ADA acknowledges the value of historic resources, and only for them does it make exceptions to its mandates. Recognizing this dual responsibility, we as a society are properly committed to provide the highest degree of accessibility for people with disabilities that can be reasonably achieved without peril to our historic resources.

> The latitude provided by the Americans with Disabilities Act (ADA) and the California Historical Building Code (CHBC) provides guidance as to reasonable solutions on a case-by-case basis. This case-by-case approach both requires and permits us, within established parameters, to make modifications to facilitate people with disabilities, providing reasonable levels of equivalency where the letter of the law would exact too high a toll of the historic resource.
>
> Compromises are something which must be accepted by ardent defenders of both accessibility and preservation; with the understanding that, while the "desires" of neither may be fully attainable, the "needs" of both usually are. The "Accessibility" section of the CHBC (Section 8-6) has been found, thus far, to be a reasonable exposition of the requirements of ADA. Use of the CHBC, especially when coupled with input from the local community of people with disabilities, has provided the foundation for successfully meshing the mandates for both preservation and accessibility.

## FURTHER INFORMATION:

| | |
|---|---|
| Division of the State Architect | http://www.dgs.ca.gov/dsa/Home.aspx |
| Building Standards Commission | www.bsc.ca.gov |
| SHBSB | http://www.dgs.ca.gov/dsa/AboutUs/shbsb.aspx |

# APPENDIX A

## How to complete a successful tax credit project application

This page intentionally left blank for correct pagination when printing

## FILING THE PART ONE – SOME COMMON CONCERNS

Federal Historic Preservation Tax Incentives Program

Getting your certification application smoothly through the process will help get your project into service, and profitability, as quickly as possible.

The application consists of three parts: Part 1 is an Evaluation of Significance; Part 2 is a Description of the Rehabilitation; and Part 3 is Request for Certification of Completed Work. The mechanics of the process involves sending two sets of fully completed applications with two sets of 35 mm color photos, labeled on the back, showing the interior and the exterior of the building (digital photos may be considered if they are individual prints, 4x6 inch in size, and the resolution for details is comparable to a standard 35mm print). Two sets of photos are needed for each Part 1, Part 2, and Part 3. Although it seems unnecessarily burdensome, there really is a reason why two sets of application materials are required. Tax credit applications are reviewed twice—once by the State Historic Preservation Office (SHPO) and again by the National Park Service (NPS). One set of materials is sent on to the NPS in Washington, D.C. and the other is retained by the SHPO.

Please don't overlook the guidance in the blue form itself (also on web as "instructions"). The Certification Application has very helpful and thorough instructions, and examples of how to complete the various sections.

The usual purpose of the Part 1 is to establish that a building is either a contributor to a listed National Register district or that a property not yet on the Register is individually eligible for listing. Generally, no Part 1 is required for a property that is already individually listed, unless the listing contains more than one building, such as a home and its carriage house or other outbuildings.

Buildings that are named as a contributor in a National Register district application are relatively easy to document. In most cases no additional research is necessary although the applicant should consult the district nomination, available at a California Historical Resources Information System regional center. The Part 1 should fully describe the building, both exterior and interior, and show that it basically retains its historic appearance during the district's period of significance. The applicant should also point out how the building relates to the significance of the district as a whole. For example, if the district were listed because of its historic importance as the commercial center of a community, a building's longtime use as a commercial building during the period of significance would establish that connection.

Similarly, if the district were listed because of its architectural qualities, the applicant should call out the important architectural aspects of the building that are consistent with the district's character. The Secretary of the Interior, with standards for virtually everything, has created Standards for Evaluating Significance within Registered Historic Districts: "A building contributing to the historic significance of a district is one which, by location, design, setting, materials, workmanship, feeling and association, adds to the district's sense of time and place and historical developments."

When a building is not within a listed district, the task is more complex and may require hiring a professional historian or architectural historian.

For a preliminary determination for individual listing, the Part 1 application must contain essentially the same documentation of the property's integrity and significance as that required in a National Register nomination form. Although many individuals have successfully documented their property, the services of a professional historian or architectural historian may be useful when the historic values of the property are related to important events or when there may be several periods of historical significance associated with the property.

Promptly completing the Tax Certification application can be critical. Recent rulings by the Internal Revenue Service require that an owner must submit the Part 1 before a rehabilitated building is placed into service. Owners who wait to file a Part 1 until after all work is complete and the building is placed into service will not qualify for the 20% credit, unless the building is already individually listed in the Register.

And in general, it is much better to apply for the Tax Certification before starting the rehabilitation. The SHPO can provide initial guidance, and help to ensure that the project meets the Secretary of the Interior's Standards for Rehabilitation. Since extensive pre-rehab photos are required of both the building's interior and exterior, owners many not have this necessary documentation after the project is complete.

The tax credit needs to be claimed for the tax year that the building is placed into service. An owner can go back and make a claim retroactively for a qualified rehab that took place in the past, but the tax year must be an "open" one. "Open" years are usually the three years following the date a tax return is due. For instance, for the tax year 2003, tax returns are due on April 15, 2004. Thus, 2003 tax returns may be amended until April 15, 2007.

While SHPO staff can provide information regarding National Register eligibility and the Secretary of the Interior's Standards for Rehabilitation, specific tax questions should be addressed to a qualified tax professional of the Internal Revenue Service. The NPS Tax Incentives web site has additional information in its "IRS Connection" page.

## TIPS, HINTS, AND SUGGESTIONS FOR FILING YOUR PART 2 APPLICATION

Federal Historic Preservation Tax Incentives Program

The Historic Preservation Certification Application, Part 2--Description of Rehabilitation Work—must be completed by all owners of certified historic structures who want to have rehabilitations certified by the Secretary of the Interior as being consistent with a structure's historic character and, where applicable, the character of the district in which the structure is located, thus qualifying the project as a "certified rehabilitation."

Although many individuals have successfully completed the Part 2 application for smaller properties, owners of large buildings may want to use the services of a preservation consultant who is familiar with the process and with building architecture. In any case, the application *Instructions* should always be carefully read before filling out the forms.

### Application Form

The Part 2 is the core of the Tax Incentives application process, as it is where the project work is described. Each feature affected and type of work proposed will be described in its own block. When describing the overall project it is helpful to use a consistent progression, such as exterior then interior, both for being inclusive in your descriptions and for the understanding of the reviewer. The sections of the Application focus on different aspects of the project.

- The cover page of the Part 2 contains important information about the owner, the building, the size of the rehabilitation, and indicates the project contact.
- The owner's original signature with date must be on both cover sheets, even if the second sheet is a photocopy. Do not photocopy owner signatures.
- Visual documentation, in the form of good photographs and drawings, is critical for the reviewer to understand both the building and the proposed work and thus help with a timely review. With all that will be invested in the project construction, this is not the place to be economical. The more confident the reviewer is in their understanding of the building and the proposed work, the faster the review.

### Photographs and Drawings

Photographs and drawings are key elements in ensuring a smooth and timely review.

- Prior to the start of any work, take a set of good clear, 4x6 inch, 35 mm color photographs of the exterior and interior, in sufficient number to document all areas to be affected by work, and submit these with your Part 2 Application. Digital photos may be acceptable if they are submitted as individual 4x6 inch prints and the detail is virtually the same as a 35mm color print.
- Even if you have started work, you must have a set of photos of the building before work commenced. Without such documentation the National Park Service may not be able to evaluate the effects of the work and the certification may be denied for lack of information.

- Please understand that the reviewer may not be able to see the building in person and has to rely on the submitted pictures for a comprehensive model of the building. Therefore, close-ups should also be accompanied by a more general view of the exterior wall or interior room, so the reviewer may understand the overall effect of the work in its larger context.
- Photos taken from two different angles also help the reviewer understand the feature and the changes that may occur from proposed work.
- Photos that are too dark or that contain too many shadows are not helpful in visualizing the features of the building. It may be necessary to use a flash or additional lighting or to come at a different time of day to photograph a feature.
- Drawings or sketches should include both floor plans and elevations, and sections where necessary. Detail should include existing wall configuration and proposed changes and if reduced, should still be easily readable.

The more concise, organized and specific the project description blocks are, the easier it will be for the reviewer to process your project in a timely manner. There is a difference between "abbreviated" and "concise" though. Telling the reviewer that "all walls will be repaired in kind," is too abbreviated for the reviewer to understand what work will be done. Concise is "All interior walls are original plaster over wood lath. Damaged areas will be cleaned of debris, then patched with matching plaster keyed to the wood lath, and then smoothed with a finish coat." If the work is more complicated, then be sure the description explains clearly and in sufficient detail the work to be done.

- Typically, all exterior work is described first, then the interior. For buildings with multiple floors, start with the lowest floor and then work your way up.
- All portions of the project must be described, even work that will not directly affect historic features or fabric. The entire project is reviewed, not just sections of work.
- It is also acceptable to group certain types of work such as seismic, plumbing, and HVAC for instance, as these types of retrofit can affect both the exterior and multiple interior areas.
- On the other hand, do not combine distinctive work items. It is difficult for the reviewer to cross reference work if you are describing repair of the exterior windows and then mention that interior doors will also be repaired in the same block. Even if the same carpenter is doing all the work, the windows and doors need to be described separately so the extent of the work is understood.

### General Comments

Remember that the Secretary of the Interior's Standards for Rehabilitation emphasize fitting the new use to the historic building, and do not support modifying the building to serve the adaptive use. The credits are for rehabilitating the building while retaining the historically significant materials and features of the building; they are not intended for architectural improvement projects. Repair is always recommended over replacement.

Issues such as code requirements for fire exiting and ADA compliance are familiar concerns to the SHPO and NPS. They may often have advice for solutions that can achieve a compromise between retaining historic fabric and accommodating the new requirements. The California Historical Building Code often provides latitude in meeting these types of code requirements without compromising the safety or access desired.

Wholesale replacement of character-defining features such as windows, interior doors, interior finishes, or division of characteristic interior spaces are counter to the basic concern of saving as much historic fabric and character as possible. Be prepared to carefully document such proposals and be equally prepared that the SHPO will have heard all this before and will offer alternatives to such extensive work.

Historically finished surfaces are considered to be character-defining features, no matter that they are plain, abundant, and boring. Be prepared for the NPS to say no to any proposed trendy conversions of historically finished spaces that require removing finishes and exposing the raw structure beneath that was never intended to be seen during the building's period of significance.

Remember that the SHPO/NPS reviewers understand that a viable new use for a historic building is important in retaining it for future generations to enjoy. Also be aware however, that the historic preservation tax incentives were developed to encourage the preservation of the significant character of the building and that it is the responsibility of the SHPO/NPS to ensure that the public is presented with a finished product that keeps a building's historic character and values intact.

### Additional

- State recommendations are generally followed, but by law all final certification decisions are made by the NPS on the behalf of the Secretary. Therefore it is important to keep in mind that the NPS decision may occasionally differ from that of the SHPO. Review is not complete until the NPS has replied in writing to the owner.
- Owners who undertake rehabilitation projects without prior approval from the NPS do so at their own risk that the work may be denied or need to be redone. That is why it is important to file as early as possible. Certification is based on whether the overall project meets the Standards.
- The underlying concern expressed in the *Standards* is the preservation of significant historic materials and features of a building in the process of rehabilitation.

## 12 + 1 COMMON THINGS THAT WILL DELAY YOUR TAX INCENTIVES APPLICATION (in no particular order)

1. Not thoroughly reading the instructions that accompany the application forms.
2. Not submitting properly formatted “before” photos of the building, both exterior and interior, taken prior to any work being done.
3. Including only a few photographs or not photographing all the areas where work will be done, or not labeling the photos on the back, or not referencing the photos to the description of work blocks and to the drawings.
4. Taking interior photos without sufficient lighting so that the prints are too dark, or taking photos of the exterior with strong shadows across the elevations.
5. Providing only close-up photos and omitting overviews of the exterior walls or interior spaces where the close-ups are located.
6. Submitting digital photos that are poorly printed or of such low resolution that details of the building are lost--35 mm photos are preferred for detail clarity.
7. Omitting elevations or necessary sections when submitting the drawing sets.
8. Not fully describing the work to be done so that the reviewer does not understand what will be affected and how.
9. When there are questions, waiting until everyone on the design team has finalized (and committed to) their ideas and preferred alternative, and then calling the SHPO.
10. Not filing an amendment when the previously approved description of work is altered or site discoveries require a revision of the scope of the project.
11. Amendment or continuation sheets missing information such as the amendment number and a cover synopsis of the new work or proposed modifications being submitted.
12. Binding the application forms and the supporting documentation, rather than submitting them as loose sheets. This is counter to NPS archival requirements.

**+ 1.** Forgetting to have the owner sign (and date) both copies of the Part 2 cover sheet (or the amendment or continuation sheet).

# APPENDIX B

## 2012 California Certified Rehabilitation Projects

This page intentionally left blank for correct pagination when printing

## SEVEN REHABILITATION TAX PROJECTS CERTIFIED BY THE NATIONAL PARK SERVICE IN 2012

The National Park Service (NPS) in 2012 designated seven California projects as "certified rehabilitations." These completed projects were determined to meet the Secretary of the Interior's Standards for Rehabilitation and be consistent with the historic character of the property or district in which they were located. Represented building types included the rehabilitation and/or adaptive reuse of rental housing, loft conversions, retail and office space, restaurant and bar space, military installation structures, and several hotels throughout the state.

### Widespread Economic Benefits

The Historic Preservation Tax Incentives Program, administered by (NPS) in partnership with the Internal Revenue Service (IRS) and State Historic Preservation Officers (SHPO), continues to be the nation's most effective Federal program to promote urban and rural revitalization and to encourage private investment in rehabilitating historic buildings. The tax credit applies specifically to preserving income-producing historic properties and has generated over $50 billion in historic preservation activity since its inception in 1976.

Each project approved by the NPS creates an average of 42 new jobs. Besides federal income tax generated from these new jobs, taxes generated from other activities involving these rehabilitations provide further tax revenues to federal, state and local governments. These projects also result in enhanced property values, augmented state and local revenues, and economic rejuvenation of older neighborhoods.

### Enhanced Services to Program Users

Applicants are reminded that the NPS will not commence review of the Part 2 or 3 until the processing fee is paid. Applicants are encouraged to take advantage of an expedited fee payment system by including with their application an authorization for the NPS to charge the certification processing fee to their credit card. The authorization form is available on-line from the NPS web site. By not using the traditional billing procedures, the submitted applications avoid being placed on hold by the National Park Service until the processing fee is paid. This can significantly reduce the processing time before a decision regarding certification is made.

### Photo-Documentation Tips

It should be noted that the most recent guidance update on the NPS tax incentives application process states that photo documentation should be in the

form of conventional **4" x 6" color photograph prints**. If digital prints are to be used, they must be printed individually on photo quality paper and at a resolution virtually indistinguishable from a conventional 35mm film color photograph. Poor quality photos may be returned if the OHP and NPS determine they are not useable for discerning details of features and building elements.

Photographs are to be loose individual prints, to be labeled on the back with the following information: address and building name (if applicable), view, and description. Photos must be numbered and keyed to the description of proposed work on the Part 2 form and keyed to a plan(s) of the building. For further tips contact:

http://www.nps.gov/tps/tax-incentives/app-process/documentation.htm

As the NPS continually expands its website with updated information on the historic preservation tax incentives programs and technical guidance on the preservation and rehabilitation of historic properties, interested parties are reminded to view this site periodically. The Historic Preservation Certification Application and The Secretary of the Interior's Standards for Rehabilitation with Illustrated Guidelines for Rehabilitating Historic Buildings can also be found at this web site.

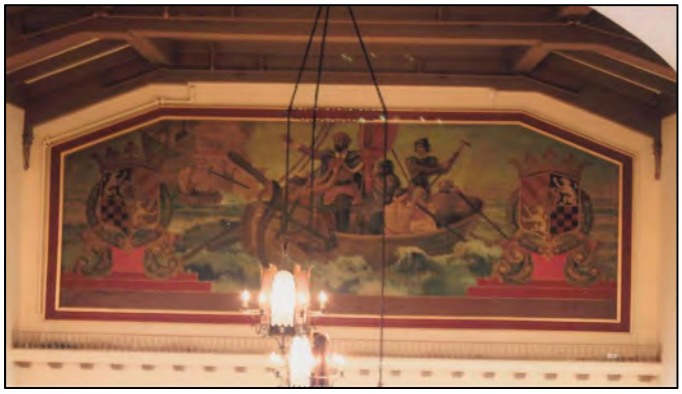
http://www.nps.gov/tps/tax-incentives.htm

As the state SHPOs are the first point of contact for property owners wishing to use the rehabilitation tax credit, we look forward to working with you on tax credit projects in California. The office may also be available to provide technical guidance before a project begins to help make the process as fast, appropriate, and economical as possible.

Office of Historic Preservation Architectural Review Unit:

http://ohp.parks.ca.gov/?page_id=1074

# Federal Historic Preservation Tax Incentives Program
# California Office of Historic Preservation



**Certified Project Applications**

**Federal Fiscal Year Ending 2012**
**October 1, 2011 through September 30, 2012**

Prepared by:
California Office of Historic Preservation
Architectural Review Unit

**Cover Photographs:**

Upper Left: 529 Normal, Chico.  Photograph: Wayne Cook

Upper Middle: Imig Manor/Lafayette Hotel Bandshell, San Diego. Photograph: Urbana Preservation & Planning, LLC

Upper Right: Hotel Senate entrance, San Francisco.  Photograph: Heritage Consulting Group

Middle Left: NTC Quarters D, San Diego: Photograph: MacRostie Historic Advisors LLC

Middle Right: Addition to Presidio Building 100, San Francisco: Photograph: Melanie Blum

Lower Left: Merced Theatre Mural, Mural: City of Merced

Lower Right: Built-In Cabinetry, Maydestone Apartments, Sacramento.
Photograph: D & S Development

## TAX INCENTIVE PROJECTS FY 2012

### COMPLETED REVIEWS OF PROJECT APPLICATIONS

Projects completed by the Office of Historic Preservation

| | FY12 | FY11 | FY10 | FY09 | FY08 | FY07 | FY06 |
|---|---|---|---|---|---|---|---|
| **Completed Part 1 Applications** | 17 | 13 | 21 | 23 | 18 | 12 | 52 |
| **Completed Part 2 Applications** | 30 | 16 | 14 | 24 | 22 | 13 | 52 |
| **Completed Part 2 Amendment Applications** | 64 | 80 | 71 | 62 | 69 | 54 | 47 |
| **Completed Part 3 Applications** | 8 | 15 | 16 | 31 | 10 | 11 | 9 |
| | | | | | | | |
| **Total Completed Project Reviews** | 115 | 124 | 122 | 140 | 119 | 90 | 160 |
| | | | | | | | |
| | | | | | | | |
| **Represented Counties** | 12 | 11 | 15 | 13 | 15 | 15 | 18 |

### COUNTIES WITH MAJORITY OF APPLICATIONS

- Los Angeles 9 Projects
- San Diego 18 Projects
- San Francisco 9 Projects

**California Office of Historic Preservation**
**Certified Tax Projects – 2012 (Federal Fiscal Year)**

| | |
|---|---|
| **Project:** | **529 Normal** |
| Location: | Chico, Butte County |
| Owner: | Annette Barrett |
| Use: | Apartments |
| Certified: | 1/12/12 |
| Floor Area: | 3,851 SF |
| Rehab Costs: | $298,543 |
| | |
| **Project:** | **Merced Theater** |
| Location: | Merced, Merced County |
| Owner: | James M. Bramble, City Manager, City of Merced |
| Use: | Community Theater, Residential, Retail |
| Certified: | 2/17/12 |
| Floor Area: | 22,500 SF |
| Rehab Costs: | $12,566,661 |
| | |
| **Project:** | **Maydestone Apartments** |
| Location: | Sacramento, Sacramento County |
| Owner: | Steve Lebastchi, D &S Development |
| Use: | Apartments |
| Certified: | 9/25/12 |
| Floor Area: | 21,213 SF |
| Rehab Costs: | $4,210,011 |
| | |
| **Project:** | **Imig Manor/Lafayette Hotel** |
| Location: | San Diego , San Diego County |
| Owner: | Jay Wentz, Lafayette Landlord, LLC |
| Use: | Hotel |
| Certified: | 6/8/12 |
| Floor Area: | 109,451 SF |
| Rehab Costs: | $7,340,666 |
| | |
| **Project:** | **Quarters "D" and Garage (Married Officers Quarters) Naval Training Station** |
| Location: | San Diego, San Diego County |
| Owner: | Neal Singer, NTC Liberty Station II, LLC |
| Use: | Art related commercial/office/retail |
| Certified: | 6/19/12 |
| Floor Area: | 3,480 SF |
| Rehab Costs: | $537,000 |
| | |

| | |
|---|---|
| | |
| **Project:** | **Building 100 (Infantry Barracks)** |
| Location: | The Presidio, San Francisco County |
| Owner: | Esta Soler, Futures Without Violence |
| Use: | Office, Exhibits and Training Rooms |
| Certified: | 4/23/12 |
| Floor Area: | 35,000 SF |
| Rehab Costs: | $13,700,000 |
| | |
| **Project:** | **Hotel Senate** |
| Location: | San Francisco, San Francisco County |
| Owner: | Sara A. Fay, Crescent Manor Partners, LP |
| Use: | Affordable Housing |
| Certified: | 5/31/12 |
| Floor Area: | 42,500 SF |
| Rehab Costs: | $8,000,000 |
| | |