

OFFICE OF HISTORIC PRESERVATION

Addendum to Initial Statement of Reasons

Title 14, California Code of Regulations, Division 3, Chapter 11.5
California Register of Historical Resources: New Subchapter 1, Sections 4859.01 - .06

State Historic Rehabilitation Tax Credit

This Addendum to the Initial Statement of Reasons (ISOR) is being published in response to review comments offered by the public during public review and comment period March 19, 2024, to April 3, 2024. This Addendum explains the modifications and the reasons for these modifications and provides additional information to further clarify the regulatory proposal. This is an Addendum to the ISOR and does not replace it.

GENERAL OVERVIEW

The text of the proposed regulation was reorganized to improve readability and functionality. Changes that are sufficiently related include the following:

§4859 Regulations

§4859.01(d) adds subsection (1) and (2) clarifying state tax credit application for projects in construction or completed on or after January 1, 2022.

§4859.02(k) is revised to delete reference to the Internal Revenue Code as immaterial to state tax credit distribution.

§4859.03(a) adds “National Register of Historic Places” listing as a second option for becoming listed on the California Register.

Application v. 5/24

The Completed Project Application incorporates by reference and adds a separate “Cost Certification Document” document for return with fee to the CTCAC.

Instructions v.5/24

Instructions v. 5/24 adds consecutive numbering to Instruction Headings for easier reference.

Section 5(A) Application Fees and Calculation, OHP fees: OHP derived its fee structure based on the National Park Service Fee Schedule 1 for which it provides a similar service reviewing federal tax credit applications nationally. Both programs provide 20% of the final QRE costs as a tax credit and so a similar fee is considered reasonable. The NPS Fee Schedule 1 is provided as a document in “Other Material in Rulemaking File” and is also available at www.nps.gov/subjects/taxincentives/application-fees.htm.

Section 5(B) Application Fees and Calculation, CTCAC fees: deletes a reference to CTCAC fee remittance instructions.

Section 6 Application Fee remittance: Adds CTCAC fee remittance directions, address and check payee. CTCAC Committee adoption of the Application v 5/24 including section 5 cost form documents are provided in “Other Material in Rulemaking File”.

Section 8 Initial Project Application: Deletes “State” in heading and adds “Section 2” to be self-

consistent.

Section 8 Initial Project Application: Deletes Section 2 (7)(d) and (7)(e).

Section 11 Completed Project Application paragraph 7: Adds “Cost Certification Document” instructions.

Section 11 Completed Project Application paragraph 7: Deletes paragraph directing submission of a separate CTCAC expense document.

Appendix B: Adds a new instruction directing that no zip files be uploaded.

Appendix C: Adds a new instruction directing all new photos to be in color, excepting vintage or historical photos.

Appendix D section A: adds “the structure for” before “...proposed reuse...” to be consistent with the statutory language.

Appendix D section A: adds documentation of the conveyed federal property and all conditions of the conveyance to the requirement to provide an ordinance acquiring the surplus property.

Appendix D section B: revises the section heading to “B. Projects that include affordable housing for lower income households as defined by Health and Safety Code Section 50079.5”.

Appendix D section B: deletes “Government” Code and replaces it with “Health and Safety” Code.

Appendix D section B: revises the minimum number of affordable units and adds the requirement of a deed restriction maintaining affordability of 55 years in consultation with the CTCAC.

Appendix D section C: revises the section heading to include a reference to the Health and Safety Code sections defining a designated census tract.

Appendix D section C: revises submission of a document to be included in the Initial Project Application.

Appendix D section E: revises the section heading to include a reference to higher density, mixed use development to be consistent with the statutory language.

Appendix D section E: adds an instruction requirement to include a dedicated block in the Initial Project Application Narrative describing the existing density and mixed use condition of the structure proposed for rehabilitation, and any proposed scopes of work to maintain or increase the density and the mixed use.

Appendix F, “More Information” has been added to the Instructions v. 5/24 with links to NPS resources, including Preservation Brief 32 “Making Historic Properties Accessible”.

There were no other changes in the laws related to the proposed action or to the effect of the proposed regulation from the laws and effects described in the Notice of Proposed Regulatory Action.