NEXT STEPS | THE ECONOMIC DEVELOPMENT AND HISTORIC TAX CREDIT ACT

Cindy Heitzman, Executive Director
California Preservation Foundation

First National Bank of Oakdale
The Economic Development and Historic Tax Credit Act
An Economic Incentive Whose Time Has Come

Statewide Coalition

California Preservation Foundation
California Chapter AIA
California Historical Society
Capital City Preservation Foundation
Los Angeles Conservancy
Oakland Heritage Alliance
Sacramento Historical Society
Sacramento Old City Association
Sacramento Modernism
San Francisco Heritage
Save Our Heritage Organisation
The Economic Development and Historic Tax Credit Act
An Economic Incentive Whose Time Has Come

Program Emphasis

• Economic Revitalization
• Sustainability
• (Affordable) Housing
• Rehabilitation of Historic Resources
36 States Have a Rehabilitation Tax Credit

Restore Oregon Special Report: Revitalizing Main Street

- 25 States Have a Owner-Occupied Credit
<table>
<thead>
<tr>
<th>State</th>
<th>Year Adopted</th>
<th>Eligibility</th>
<th>Commercial Credit</th>
<th>Annual Program Cap (Commercial)</th>
<th>Project Credit Cap (Commercial)</th>
<th>Transferable?</th>
<th>Owner-Occupied Residential Credit</th>
<th>Other Credit</th>
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<tbody>
<tr>
<td>Alabama</td>
<td>2013</td>
<td>National Register</td>
<td>25%</td>
<td>$20 million</td>
<td>$5 million</td>
<td>Yes</td>
<td>25%</td>
<td>25% for nonprofits; 10% for pre-1936 commercial</td>
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<tr>
<td>Arkansas</td>
<td>2009</td>
<td>National Register</td>
<td>25%</td>
<td>$4 million</td>
<td>$125,000</td>
<td>Yes</td>
<td>25%</td>
<td></td>
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<tr>
<td>Colorado</td>
<td>1990</td>
<td>National Register</td>
<td>20%</td>
<td>No Cap</td>
<td>$50,000</td>
<td>No</td>
<td>20%</td>
<td></td>
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<tr>
<td>Connecticut</td>
<td>2008</td>
<td>National Register</td>
<td>25%</td>
<td>$16.6 million</td>
<td>$5 million</td>
<td>Yes</td>
<td>30%</td>
<td>30% afford. housing</td>
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<tr>
<td>Delaware</td>
<td>2001</td>
<td>National Register</td>
<td>20%</td>
<td>$5 million</td>
<td>No Cap</td>
<td>Yes</td>
<td>30%</td>
<td>30% afford. housing</td>
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<tr>
<td>Georgia</td>
<td>2002</td>
<td>National Register</td>
<td>25%</td>
<td>No Cap</td>
<td>$300,000</td>
<td>Yes</td>
<td>25%</td>
<td>30% afford. housing</td>
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<tr>
<td>Illinois</td>
<td>2012</td>
<td>National Register*</td>
<td>25%</td>
<td>No Cap</td>
<td>No Cap</td>
<td>Yes</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Indiana</td>
<td>1999</td>
<td>National Register</td>
<td>20%</td>
<td>$450,000</td>
<td>$100,000</td>
<td>No</td>
<td>20%</td>
<td></td>
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<tr>
<td>Iowa</td>
<td>2000</td>
<td>National Register</td>
<td>25%</td>
<td>$45 million</td>
<td>No Cap</td>
<td>Yes</td>
<td>25%</td>
<td>25% for barns</td>
</tr>
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<td>Kansas</td>
<td>2002</td>
<td>National Register</td>
<td>25%</td>
<td>No Cap</td>
<td>No Cap</td>
<td>Yes</td>
<td>25%</td>
<td>30% for nonprofits</td>
</tr>
<tr>
<td>Kentucky</td>
<td>2005</td>
<td>National Register</td>
<td>20%</td>
<td>$5 million</td>
<td>$400,000</td>
<td>Yes</td>
<td>30%</td>
<td>20% for nonprofits</td>
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<tr>
<td>Louisiana</td>
<td>2002</td>
<td>Downtown District</td>
<td>25%</td>
<td>No Cap</td>
<td>$5 million</td>
<td>Yes</td>
<td>25–50%</td>
<td></td>
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<td>Maine</td>
<td>2008</td>
<td>National Register</td>
<td>25%</td>
<td>No Cap</td>
<td>$5 million</td>
<td>Yes</td>
<td>None</td>
<td>30% afford. housing</td>
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<tr>
<td>Maryland</td>
<td>1996</td>
<td>National Register</td>
<td>20%</td>
<td>Varies</td>
<td>$3 million</td>
<td>Yes</td>
<td>20%</td>
<td>10% for pre-1936 commercial</td>
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<tr>
<td>Massachusetts</td>
<td>2004</td>
<td>National Register</td>
<td>20%</td>
<td>$50 million</td>
<td>No Cap</td>
<td>Yes</td>
<td>None</td>
<td>25% afford. housing</td>
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<tr>
<td>Minnesota</td>
<td>2010</td>
<td>National Register</td>
<td>20%</td>
<td>No Cap</td>
<td>No Cap</td>
<td>Yes</td>
<td>None</td>
<td>.9 refund option</td>
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<tr>
<td>Mississippi</td>
<td>2005</td>
<td>National Register</td>
<td>25%</td>
<td>$60 million</td>
<td>No Cap</td>
<td>Yes</td>
<td>25%</td>
<td></td>
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<tr>
<td>Missouri</td>
<td>1998</td>
<td>National Register</td>
<td>25%</td>
<td>$140 million</td>
<td>No Cap</td>
<td>Yes</td>
<td>25%</td>
<td></td>
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<tr>
<td>Montana</td>
<td>1997</td>
<td>National Register</td>
<td>5%</td>
<td>No Cap</td>
<td>No Cap</td>
<td>No</td>
<td>None</td>
<td></td>
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<tr>
<td>New Mexico</td>
<td>1984</td>
<td>National Register</td>
<td>50%</td>
<td>No Cap</td>
<td>$25,000–50,000</td>
<td>No</td>
<td>50%</td>
<td></td>
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<tr>
<td>New York</td>
<td>2007</td>
<td>National Register*</td>
<td>20%</td>
<td>No Cap</td>
<td>$5 million</td>
<td>No</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>North Carolina</td>
<td>1998</td>
<td>National Register</td>
<td>20%</td>
<td>No Cap</td>
<td>No Cap</td>
<td>Yes</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>North Dakota</td>
<td>1999</td>
<td>National Register*</td>
<td>25%</td>
<td>No Cap</td>
<td>$250,000</td>
<td>No</td>
<td>25%</td>
<td></td>
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<tr>
<td>Ohio</td>
<td>2006</td>
<td>National Register</td>
<td>25%</td>
<td>$60 million</td>
<td>$5 million</td>
<td>Yes</td>
<td>25%</td>
<td></td>
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<td>Oklahoma</td>
<td>2005</td>
<td>National Register</td>
<td>20%</td>
<td>No Cap</td>
<td>No Cap</td>
<td>Yes</td>
<td>None</td>
<td></td>
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<tr>
<td>Pennsylvania</td>
<td>2012</td>
<td>National Register</td>
<td>25%</td>
<td>$3 million</td>
<td>$500,000</td>
<td>Yes</td>
<td>None</td>
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<td>Rhode Island</td>
<td>2013</td>
<td>National Register</td>
<td>20–25%</td>
<td>$34.5 million</td>
<td>$5 million</td>
<td>Yes</td>
<td>None</td>
<td>20% for nonprofits</td>
</tr>
<tr>
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<td>1995</td>
<td>National Register</td>
<td>10%</td>
<td>No Cap</td>
<td>No Cap</td>
<td>Yes</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>Texas</td>
<td>2013</td>
<td>National Register</td>
<td>25%</td>
<td>No Cap</td>
<td>No Cap</td>
<td>Yes</td>
<td>25%</td>
<td>(franchise taxes)</td>
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<tr>
<td>Utah</td>
<td>1994</td>
<td>National Register</td>
<td>None</td>
<td>N/A</td>
<td>N/A</td>
<td>No</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>Vermont</td>
<td>2006</td>
<td>Downtown District</td>
<td>10–50%</td>
<td>$1.5 million</td>
<td>No Cap</td>
<td>Yes</td>
<td>None</td>
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<tr>
<td>Virginia</td>
<td>1997</td>
<td>National Register</td>
<td>25%</td>
<td>No Cap</td>
<td>No Cap</td>
<td>Yes</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>West Virginia</td>
<td>1999</td>
<td>National Register</td>
<td>10%</td>
<td>No Cap</td>
<td>No Cap</td>
<td>Yes</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>Wisconsin</td>
<td>2013</td>
<td>National Register</td>
<td>20%</td>
<td>No Cap</td>
<td>No Cap</td>
<td>Yes</td>
<td>25%</td>
<td></td>
</tr>
</tbody>
</table>

* with geographic restrictions. Note: some states also extend their tax credit to local landmark properties or targeted economic zones.

Table from: Restore Oregon Special Report: Revitalizing Main Street
Making the Case:

- Domino Effect on jobs and revenues
- Studies confirm “profound” economic benefits of historic preservation
- 93% of respondents indicated that state tax credits were essential to their decision to undertake a historic rehabilitation project
- 65.5% indicated they would not have rehabilitated their historic property without state tax credit assistance.
A Modest State Investment with Big Returns
Major Features of AB 1999

• **20% Commercial Credit**
  • Parallel the Federal 20% Historic Preservation Credit to extent possible

• **20% Home-Owner Credit**
  • Not currently eligible for Federal Credit
Additional 5% Credit

- Government Surplus Properties
- Affordable Housing
- BRAC Properties
- Transit Oriented Developments
- Economically Distressed Areas
Other Features of AB 1999

- Total Annual Cap on Available Credits = $50,000,000
- Unused credits can rollover to following year
- 7 year Sunset period
- All projects are subject to an Economic Analysis to quantify the return on investment to the State (owner-occupied residences may be exempt from this requirement)

The State Tax Credits can provide additional financial incentives to make certain projects pencil-out.
Assistance and Incentives to Main Streets and Historic Districts
Structural and Seismic Retrofit

- Soft Story
- Concrete Frame
- Foundation and Chimney
What buildings qualify?

Certified Historic Structures

- National Register of Historic Places

- California Register of Historical Resources

- NPS Certified State or Local Districts
Registered California Resources

- 18,886 National Register
- 37,495 California Register
- 13,906 National Register Eligible
- 147 National Historic Landmarks

Naval Training Station Building 26, San Diego
California Facts

Past Ten Years (2004-2013)

• Total Certified Expenses of $1,753,564,380

• 129 Certified Projects

• Consistently Ranked below States with a State Historic Tax Credit

• 21 of 57 California Counties represented
2013 Federal Fiscal Year

- Certified California Projects: **10**
- Total Certified Costs: **$351,910,108** ($299,145,299.00)
  - Number 2 in the Country (behind MO)
- Range in Floor Area: **11,140 SF to 320,000 SF**

(Pier 15 Facts)
Certified rehabilitation costs
- **$180,170,000**

Additional costs
- **$38,411,111**

Pier 15, The Embarcadero, San Francisco
HOW CAN YOU HELP?

CALIFORNIA PRESERVATION FOUNDATION

www.californiapreservation.org

Cindy Heitzman (415) 495-0349
5 3rd Street, Suite 424, San Francisco, CA 94103-3205

For more information on the Federal Preservation Tax Incentives (National Park Service) 

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