

RE: AB 2580 (Wicks) - OPPOSE

Dear Senator Skinner and Members of the Senate Housing Committee,

On behalf of California's leading historic preservation organizations, we thank you for your dedicated leadership and service to all Californians. We are joining together to express our strong opposition to AB 2580 (Wicks).

We oppose AB 2580 because it unfairly stigmatizes historic preservation, ignoring the cost-effectiveness of historic rehabilitation in providing and retaining affordable housing. This bill demonstrates a fundamental misunderstanding of existing historic preservation programs and, as admitted by its proponents, serves as the first step towards eroding protections for historic resources. Bill proponents have publicly stated that "tackling the abuse of historic preservation rules requires several steps, and AB 2580 is a crucial initial measure." This bill fails to offer examples of abuse, does nothing to encourage housing, provides no incentives, and is a waste of resources.

AB 2580 mandates that local governments include in their Housing Element Annual Progress Report a list of all historic designations made in the past year and detailed statuses of any proposed housing development projects for these designations. Additionally, it requires an assessment of how both new and existing historic designations impact local housing needs. By doing so, this bill frames historic preservation as a constraint to housing development, which is the bill proponents' assertion.

The bill presumes that local historic preservation nominations are used to block housing development. However, most of the cities cited by the bill's proponents as abusing the nomination process participate in the Certified Local Government Program, a federal program established by the National Historic Preservation Act of 1966 (<u>list attached</u>). Certified Local Governments (CLG) must have a program in place to support nominating historic resources, including historic districts, as a <u>requirement</u> for participating in the CLG program. Their activities must be reported annually to the California Office of Historic Preservation. AB 2580 duplicates reporting requirements that already exists for CLG jurisdictions. Historic designations can enhance housing development and maintenance by offering financial incentives, such as federal and state historic tax credits, property tax relief through the Mills Act, and the use of the California Historic Building Code. Approximately 40% of projects applying for federal historic tax credits are used to create or maintain housing. This number is likely to increase with additional financial support from the recently adopted California Historic Tax Credit. These incentives are crucial for making adaptive reuse projects, like those converting offices to housing, financially feasible and <u>are **only** available to properties with historic designations</u>.

Furthermore, the purported problem is overstated. Less than 5% of developed areas in California are designated as historic, with cities like Los Angeles having only 7% of their overall building stock identified as being eligible or designated as historic. This bill does not address a widespread issue but rather aligns with the narrative of a special interest group.

Historic preservation has been a powerful tool for public benefit. For example:

- The Tenderloin Neighborhood Development Corporation nominated the Uptown Tenderloin Historic District to use federal historic tax credits to improve housing and services for low-income tenants in San Francisco's Tenderloin District.
- The City of St. Helena nominated the St. Helena Commercial Downtown Historic District for property owners to use historic tax credits, the Mills Act and the State Historic Building Code to comply with mandatory seismic retrofits, with 100% compliance, preserving some of Napa Valley's most iconic structures and increasing public safety.
- The City of Los Angeles has demonstrated how adaptive reuse of historic buildings can create over 12,000+ housing units in its historic downtown area, stimulating economic development while providing needed housing.

While there is no disagreement about the critical need to create affordable housing, AB 2580 does not further this goal and instead poses a dangerous precedent. It risks undermining the preservation of our heritage, which has supported public safety, provided housing, and revitalized communities. This bill represents an extreme overreaction to a program that has brought immense benefits to California.

On behalf of our members and supporters across California, we urge you to stand with us and vote no on AB 2580.

Sincerely,

Cindy Heitzman Executive Director California Preservation Foundation

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