

LOCAL INCENTIVES

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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.

The formation of historic residential districts such as Historic Preservation Overlay Zones (HPOZs) has been proven to create economic value in neighborhoods. Other incentive 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.

www.getty.edu/conservation/field_projects/lasurvey/index.html

Los Angeles Conservancy, Incentives for Preserving Historic Buildings

www.laconservancy.org

Pasadena Heritage

www.pasadenaheritage.org

San Diego Citywide Business Development and Incentive Zone Map

<http://www.sannet.gov/economic-development/business-assistance/mapping.shtml>

Northern California Chapter of the Earthquake Engineering Research Institute

www.quake06.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

www.lacity.org/PLN/

Los Angeles Conservancy

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 assist 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

www.sannet.gov/economic-development/business-assistance/small-business/bids.shtml

www.sannet.gov/economic-development/business-assistance/mapping.shtml

City of Palo Alto, Economic Development and Redevelopment

www.city.palo-alto.ca.us/resources/

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 Economic Development and Redevelopment <ul style="list-style-type: none">• Density bonus for historic properties contained in Municipal Code	www.city.palo-alto.ca.us/resources/

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	www.greatvalley.org/legaci/index.aspx
Pasadena Heritage Housing	www.pasadenaheritage.org/hhp.html
The San Francisco Foundation, Neighborhood and Community Development (Competitive grants source)	www.sff.org/grantmaking/neighborhood.html

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://www.clevelandrestoration.org/HomeownerPrograms/hhlp.htm

NEIGHBORHOOD ORGANIZATIONS

Word of mouth is sometimes the best source of finding a good craftsman, 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	www.anaheimcolony.com/resources
City of San Jose	
Historic Preservation Page	www.ci.san-jose.ca.us/planning/sjplan/Historic/Index.html

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 Organisation	www.sohosandiego.org
Others: Preservation North Carolina, Inc.; Historic Boston, Inc.; Historic Landmarks of Indiana	

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, <i>Incentives for the Preservation and Rehabilitation of Historic Homes in the City of Los Angeles: A Guidebook for Homeowners</i> , 2004.	
www.getty.edu/conservation/field_projects/lasurvey/index.html	