

Economic Incentives for Preservation: Valuing Historic Places



Louisville Forward/Develop Louisville

4/9/19

Why Preserve? *The value proposition*



- ❖ Preserves our unique story for the future
- ❖ Protects Investments/Creates Jobs
- ❖ Marketing Tool/ Business Recruitment
- ❖ Better Design is supported and encouraged
- ❖ Helps the Environment/Sustainability
- ❖ Educational /Tourism Impact
- ❖ Well stated in the “Whereas” section of the Ordinance!



What has been locally designated?

- ❖ 7 districts – includes about 6,000 structures

- ❖ Butchertown
- ❖ Cherokee Triangle
- ❖ Clifton
- ❖ Limerick
- ❖ Old Louisville
- ❖ Parkland
- ❖ West Main Street

- ❖ 90 Individual Landmarks

- ❖ Buildings in the Local Preservation Districts and many of the Individual Landmarks are also listed on the National Register of Historic Places



Incentivizing Preservation

- ❖ Special Recognition
 - Historic Plaque Program
 - National Register of Historic Places
- ❖ Financial Incentives
 - Federal/State Historic Rehabilitation Tax Credits
 - Property Assessment Moratorium
- ❖ Regulatory Incentives
 - Land Development Code - A twenty (20) percent reduction in the minimum number of parking
 - Chapter 34 in Building Code
 - Floodplain allowances for historic buildings (MSD-administered)



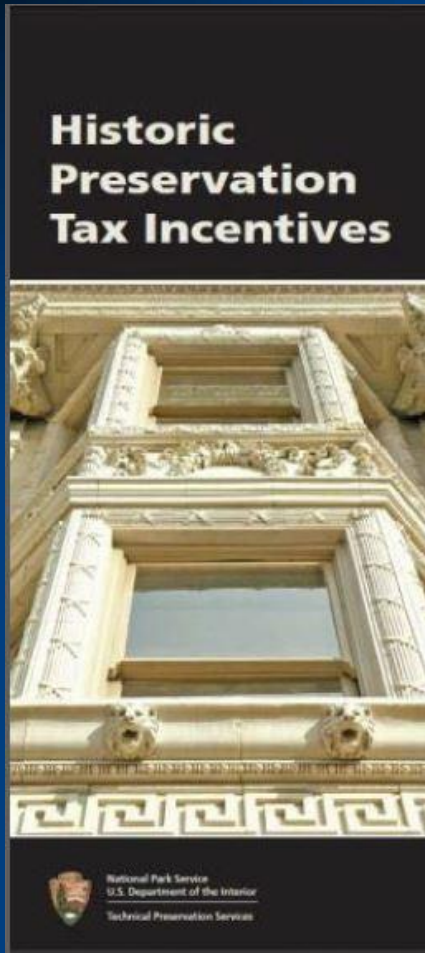
Historic Plaque Program



The Landmarks Commission's Historic Structure Plaque Program officially launched on January 16th, 2015 with the first plaque presented to the Conrad-Caldwell House in Old Louisville. The program offers the opportunity for owners of local landmarks structures or structures located within local Historic Preservation Districts the ability to visually identify their home or building as meeting a high standard of historic preservation. The structure's exterior must be properly maintained in accordance with its historic style and character and meet requirements based on the Secretary of the Interior's Standards for the rehabilitation of historic buildings.



National Register of Historic Places



- ❖ National recognition of historic significance
- ❖ Consideration in the planning of federal or federally funded projects (106)
- ❖ Eligibility for federal and state rehabilitation tax credits and other incentives
- ❖ Preservation Planning tool
- ❖ Helps communities recognize, understand and appreciate their historic resources



Historic Rehabilitation Tax Credit

Federal - 20% Credit

- ❖ Income-producing properties are eligible for the credit
- ❖ Building has to be eligible or listed on the National Register
- ❖ Must be a substantial investment in rehabilitation for the property
- ❖ Must adhere to the Secretary of the Interior Standards for Rehabilitation
- ❖ Program administered by the Kentucky Historic Council, State Historic Preservation Office



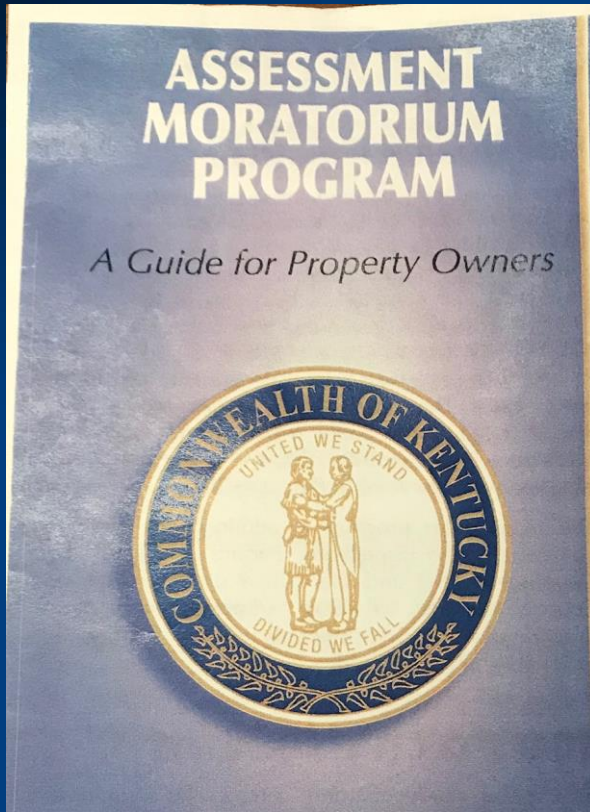
Historic Rehabilitation Tax Credit

State – Available to homeowners

- ❖ Income-producing properties are eligible for a 20% tax credit (Can be in tandem with federal credit)
- ❖ Properties owned by non-profits and local governments are eligible for a 20% tax credit
- ❖ A 30% tax credit is available for owner-occupied primary residence
- ❖ Building has to be eligible or listed on the National Register
- ❖ Must be a substantial investment in rehabilitation for the property
- ❖ Must adhere to the Secretary of the Interior Standards for Rehabilitation
- ❖ Program administered by the Kentucky Historic Council, State Historic Preservation Office



Local Financial Incentives



- ❖ Assessment Moratorium Program (PVA)

These programs may apply to historic buildings:

- ❖ METCO loans
- ❖ TIF's
- ❖ Opportunity Zones



Case Study:

Restore, Repair, Renew is a new initiative of the City of Philadelphia and Philadelphia Redevelopment Authority (PRA) to help Philadelphia homeowners access low-interest loans to invest in their properties. Lenders participating in the program are offering 10-year, 3% interest loans that range from \$2,500 to \$24,999 to eligible homeowners.

Who Can Apply? *

- Whose primary residence needs repairs
- With credit scores above 580
- With homeowner's insurance
- Who have paid their property taxes or are in a payment agreement with the City



Philadelphia Neighborhood
Home Preservation
Loan Program



Case Study:

The City of Paducah has created an effective toolbox of programs through the Planning Department to encourage development, beautification, rehabilitation, and stabilization of the Historic Downtown Commercial District. The goal is to encourage vibrant streets, increased residential density, and thriving businesses. The programs are as follows:

- ❖ Artist Setup Area Application
- ❖ Downtown & Market House District Assessment and Reassessment Tax Moratorium
- ❖ Historic Downtown New Business Grant Program
- ❖ Micro-Grants: Facade and Beautification
- ❖ Roof Stabilization Assistance Program
- ❖ Upper Story Residential Grant Program



Financial incentives Best Practices

- ❖ Continue to support efforts to remove cap on State Historic Rehabilitation Tax Credits which are available to homeowners with properties listed on the National Register of Historic Places.
- ❖ Tax Abatement Moratoriums are a popular tool across the country. According to the National Trust Research and Policy Lab cities such as Atlanta, Chicago, Philadelphia, and St. Louis all use this incentive for historic buildings.
- ❖ Forgivable Loans/Revolving Loans



Questions/Discussion



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