California Historic Tax Credit Implementation

OBJECTIVES
Phase I
• Establish an Advisory Committee
• Formulate Coalition
• Develop Scope of Work

Phase 2
• Research and Analysis
• Economic Study/Analysis
• Data Collection
• Advocacy
• Legislative Contact

Phase 3
• Production of draft report (legislation)
• Review of draft report by Coalition

Phase 4
• Approval of final report
• Legislative Process

Phase 5
• Adoption of Credit
• Establish Program

IMPLEMENTATION

Economics

Cost Impacts
• State Income Tax Revenue loss: California Revenue and Tax Code (R&TC) - Franchise Tax board (Note: Federal income tax credit: Section 47 of the Internal Revenue Code)

Funding Needs
• Staff position(s) for Core Committee and Coalition
• Staff position(s) for actual program once adopted
• Economic Study, analysis, and/or modeling
• Outreach and Education costs
• Administrative costs

Revenue
• Additional taxes generated by rehabilitation work (i.e. property, income, sales, etc.)
• Fee for service
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Advocacy
• Formulate Partnerships with related concerns
  o Economic Development associations
  o Developers and Realtors
  o Sustainability and Green organizations
  o Smart Growth advocates
  o (Affordable) Housing coalitions
  o Historic Home Ownership
  o Tourism groups
  o Professional organizations (i.e. Architects, Planners)
  o Governmental agencies
  o Preservation organizations
  o Neighborhood and Main Street associations
  o Vacant building groups

  • Education and Outreach
  • Show Value

Immediate contacts
• Legislation Sponsorship
• Revenue & Tax Committee (Jan/Feb timing)
• CA Teacher’s Association
• ULI
• Preservation Developers

Eligible Properties
• 150,000+ properties in OHP statewide database
  o 14,000+ National Register properties
  o ? California Register properties
  o 1,000+/- CA Certified Tax Projects since program inception

Justification
• Pros and Cons
• Facts and Statistics

Legislative/Political
• Contact Officials and Legislators
• Track Legislative Calendar
• Seek advice on tax measure from a powerful state senator
  o Get bill into a larger plan/bill

Provisions
• Qualifications, Requirements, and Restrictions

Schedule
• Establish Timeline