COMMUNITY DEVELOPMENT INSTITUTE
HISTORIC PRESERVATION
August 1, 2013
What works in Savannah… doesn’t have to stay in Savannah

- HSF protects and preserves Savannah’s heritage through advocacy, education and community involvement.
- HSF proves the cultural, social and economic benefits of preservation as good public policy.
Our Beginnings…1955

Surface Parking?
Davenport House Museum

35,000 Visitors/Year
Contending with Blight

Chopping block looms for some historic homes

Foundation races to save homes facing demolition
SAVANNAH OFFICIALS BEGIN NEW LIST OF '100 WORST PROPERTIES' IN CITY

Mayor Otis Johnson knocks down the first clinker blocks of a derelict house off Augusta Avenue on Friday morning. Gratton Dempsey, co-owner of American Clearing Inc., gave the mayor a little advice on operating the excavator.

Houses fall to progress

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The formal shell of a house in west Savannah held out until the end. Bidding the summer heatwave Friday, Savannah Mayor Otis Johnson maneuvered a hydraulic excavator and tore the front of 703 West Dunn St. — the last of the declared 100 worst properties in Savannah.

"Neighbors really don't deserve to have this type of eyesore next to them," Johnson said before donning a hard hat and climbing aboard the machine.

When the mayor finished, Gratton Dempsey of American Clearing Inc., took his place and quickly completed the task.

Johnson and council members have made blight elimination to improve neighborhoods one of their top priorities.

Demolition of the property off Augusta Avenue opens the way for a second list of 100 worst properties being developed for corrections this year.

City Manager Michael Brown and his property maintenance department staff in July presented council members with "at least 500 buildings that had not met the code." Johnson said he said the efforts to date are really just a starting point.

"It seems like a never-ending cycle," he said.

City officials are working with neighborhoods such as the West Savannah Neighborhood Association to identify sites.

West Savannah, where Johnson said officials want to "change the environmental climate," is drawing particular attention.

The demolition of the Dunn Street house is in line with goals of the West Savannah Revitalization Plan designed to eliminate seriously dilapidated housing, said city spokesman. "The overriding goal of the plan..."
41st Street

BEFORE
Removing the building may appear to be a quick and easy solution to eliminating blight... or is it just trading one set of problems for another?
Market and Sell

AFTER
Tools for Revitalization:
Rising and Fund

- Secure, Stabilize and Mothball
- Market and sell to preservation-minded buyer for rehab
- Protective covenants
- Purchase endangered buildings
  - 3 -18 months; transfer in perpetuity
  - Secretary of the Interior’s Stds. for Rehab.
Buy in Chunks
Create Demand

AFTER
Save Corners

BEFORE
Paint and Plants

AFTER
Find a Signature Project

BEFORE
Mission > Profit

AFTER

[Image of a house remodeled after renovation]
Mixed Use

BEFORE
Not Just What is There

BEFORE
But What Can Be
Hold the Owner’s Hand

BEFORE
Open the Eyes of the City

AFTER
Section 8 Housing

BEFORE
Affordable Can Be Beautiful

AFTER
Fire

BEFORE
Plans
Mothballing Buys Time

AFTER
Commercial

BEFORE
Mixed Use

AFTER
Using Options
Now $6,000
Paint a Picture
Historic Buildings in the Landmark District
Saved and Protected By
Historic Savannah Foundation
It’s not just about old buildings...
Education
Hands on History Camp
Community Involvement
Work Days
Preservation Festival
Tour of Homes & Gardens

- One weekend each year nets $200k
- Visitors from > 40 states
The backbone of any preservation or heritage-based economic program is an inventory of historic resources. That begins with taking stock of what is in the community and what is worthy of saving. The National Register is the country’s official list of historic properties worthy of preservation. *NHPA, 1966*
**Myth:** Feds Control Your Property

**Fact:** From the Federal and State perspectives, a property owner can do whatever he/she wants as long as there are no federal monies or permits attached to the property.
More Carrots Than Sticks

- Consideration in planning for Federally licensed, and Federally assisted projects (Section 106, Section 4f).
- Eligibility for certain tax provisions - 20% investment tax credit for the certified rehabilitation of income-producing properties.
- Qualification for Federal grants for historic preservation, when funds are available.
The Federal Rehabilitation Investment Tax Credit Program (RITC) provides owners of "certified historic structures" the opportunity to apply for a federal income tax credit equal to 20% of the rehabilitation cost.

Only income-producing properties are eligible to participate in the program and the National Park Service must certify the rehabilitation in order to receive the credit.
Harriston General Store

123 North Main Street

Harriston Zip Code 12345 County Harris

Adjusted basis of the building at the beginning of the 24 month (or 60 month) period.

A. Adjusted basis of the building and the land $325,000
B. Adjusted basis of the land $200,000
C. Adjusted basis of the building, line A. less line B. $125,000

Note: Adjusted basis is the cost of the building and land plus or minus adjustments to basis. Increases to basis include capital improvements, legal fees incurred in perfecting title, zoning costs, etc. Decreases to basis include deductions previously allowed or allowable for depreciation. The County Assessor's office should be able to help you determine the value of the land by supplying you with a building to land value ratio.

Total project cost (rehab work and any new construction or site work) $250,000

Amount of the line b. cost solely attributable to new construction and site work $50,000

Cost of historic rehab (qualified rehabilitation expenditures), line b. less line c. $200,000

Amount of the line d. cost attributable to interior rehab work $175,000

Cost of exterior rehab work, line d. less line e. $25,000

Project start date 1/2004

Project completion date 6/2005

[ ] certified structure being used as your principal residence or will it be used as your principal residence in 6 months of the completion of the certified rehabilitation? [ ] Yes [ ] No (If yes, you must fill in item 3.)

N/A to this project

[ ] Date the home was first owned by the applicant

[ ] Date the home was first used as your principal residence

[ ] Is it currently being used as your principal residence? [ ] Yes [ ] No

[ ] If the home is not yet used as your principal residence, give the date that it will be

[ ] Fair market value of the building as determined by the county tax assessor at the beginning of the 24 month (or 60 month) rehabilitation period.

A. Fair market value of the building and the land

[ ]
The Arkansas Historic Rehabilitation State Income Tax Credit Program, for example, allows eligible participants to apply for a state income tax credit equaling 25% of qualifying rehabilitation expenses.

Tax credit is capped at $25,000 for personal, residential properties and $125,000 for income-producing properties.

Incentives vary from state to state.
Rehab is Triple Bottom Line

- In true Apples-to-Apples comparison...rehab costs run 25-30% less than comparable new construction.

- Demolition is wasteful - it’s estimated that materials from historic buildings occupy 10 - 15% of landfills.
Sample Tax Abatement Program

- State Preferential Property Tax Assessment Program for Rehabilitated Historic Property.
  - Property tax freeze for 8 ½ years.
  - Taxed at full value after 10 years.
- Programs vary by state.
New Market Tax Credits

- Program established by Congress in 2000 to spur new or increased investments into operating businesses and real estate projects located in low-income communities.

- Program attracts investment capital to low-income communities by permitting investors to receive a tax credit against their Federal income tax return in exchange for making equity investments in specialized Community Development Entities (CDEs).

- The credit totals 39% of the original investment amount and is claimed over a period of seven years (5% for each of the first three years, and 6% for each of the remaining four years).

- To be eligible for the program an organization must be certified as a CDE by the Fund and must:
  ➢ Be a domestic corporation or partnership at the time of the certification application.
  ➢ Demonstrate a primary mission of providing investment capital for low-income communities or low-income persons.
  ➢ Maintain accountability to residents of low-income communities.
Other Tools to Use

- Main Street
- Heritage Tourism
- Rural Heritage Development Initiative
- Business Improvement Districts
- Tax Increment Financing
- AIA Teams
Sponsored by the American Institute of Architects (AIA), this program is open to cities across the country…To provide technical assistance and process expertise to help communities develop a vision and framework for a sustainable future.
SDAT Focuses on…

- Urban design
- Connectivity
- Historic preservation
- Transportation gateways
- Green infrastructure
- Land use planning
Features of SDAT Approach

- Customized Design Assistance
- A Systems Approach to Sustainability
- Inclusive and Participatory Processes
- Objective Technical Expertise
- Cost Effectiveness
- Results
How to Get a SDATeam...

- Complete an application detailing project information, organization, community partnerships and support, and supplemental documents.

- Typical projects require between $20,000 and $30,000 for implementation and the AIA commits to funding up to $15,000 for each project. Therefore applicants are required to make a one-time payment of $5,000 to the AIA as a cash match to the program must demonstrate a local capacity to raise up to $15,000 to fund local costs associated with the project.

- The Application Review Panel will analyze communities according to types of problems, local commitment and support, political will to address sustainability issues, local matching funds and logistical support, and self-evaluation/assessment regarding issues and opportunities.

- The Application Review Panel will then evaluate the success of each application by scoring such criteria.
This AIA initiative is offered to communities as a public service and is a results-driven community design program based on the principles of interdisciplinary solutions, objectivity, and public participation.

The program combines local resources with the expertise of a multidisciplinary team of nationally recognized professionals who volunteer their time to identify ways to encourage desirable change in a community.
How R/UDAT Works...

- The team visits the community for four intense, productive days, and team members return within the year to advise on implementation strategies.

- The process is fast-paced, exciting, and energizing.

- The approach addresses social, economic, political, and physical issues and offers communities a tool that mobilizes local support and fosters new levels of cooperation.

- This grassroots approach has been implemented across the nation to help create communities that are healthy, safe and livable, as well as more sustainable.

- Costs typically range from $35,000 to $55,000, depending on the scale of the project and some of the cost coverage may be in the form of contributions and in-kind services solicited by the local steering committee.
How to Get a R/UDATeam...

- Begin completing an application detailing project information, organization, community partnerships and support, and supplemental documents.

- When the preparation of your application is under way, a member of the AIA R/UDAT Task Group may be assigned to guide you through the application process.

- The project manager will visit the community for a one to two day visit which will include meetings with the steering committee, planning and/or economic development officials, local leaders who may not yet be on the steering committee, and representatives of the local AIA component.

- After the project manager is satisfied that the application is complete a decision will be made regarding approval.
Questions and Answers...

Remember...it’s not good because it’s old; it’s old because it’s good.