

Appendix:
**Summary of Incentive
Options Matrix**

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Category	Incentive & Description	Time Frame for Implementation	Costs	Considerations	Benefits	Actions Needed	Groups Involved
FINANCIAL	<p>Federal Tax Credits</p> <p>Tax relief for owners of historic properties is provided by the federal government in the form of tax credits. Federal historic preservation tax credits lower the amount of tax owed and are offered at two levels: 20% and 10% of cost of construction.</p>	Short	<p>For City: <i>Low</i>. Staff time for technical assistance guiding applicants in the process or assisting with application for National Register.</p> <p>For owners: <i>High</i>. Will require investment of time and resources to apply for National Register designation and/or tax credit application. But if the application is successful, the owner could reap large tax savings.</p>	<p>-Only applies to properties listed on or eligible for the National Register (20% tax credit), or to certain properties built before 1936 (10% tax credit).</p> <p>-Private residential properties are not eligible.</p>	<p>-Rehabilitation costs provide tax advantages to owners who improve their historic properties.</p> <p>-Helps make historic redevelopment financially possible.</p>	<p>-Inform applicants looking to rehabilitate historic properties of the possibility of tax credits.</p> <p>-Staff can assist applicants with application for National Register of Historic Places.</p>	<p>City Staff – Planning Division for technical guidance.</p> <p>Applicant</p> <p>National Parks Service (NPS)</p>

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FINANCIAL	<p>Mills Act Contracts</p> <p>The Mills Act is a state law that enables local governments to enter into contracts with owners of historic properties to provide property tax abatement in exchange for the continued preservation of a historic property.</p>	Short	<p>For City: <i>High</i>. Tax benefits to property owners results in decreased tax revenue to the City and other agencies. Also, the City does not fully recover application processing costs through fees collected.</p> <p>For applicant: <i>Mid</i>. Have to commit to maintaining the property for minimum 10 years and use savings to reinvest in the property. But tax savings, particularly for recently-acquired properties, can be considerable.</p>	<p>-The City's current 2-year Pilot Mills Act Program expired at the close of 2013. A 3-year extension of an amended pilot program has been reviewed and recommended by the Planning Commission; it will be scheduled for CC consideration in early 2014.</p> <p>-Recommendation that only properties that are designated Local Landmarks be eligible to apply.</p>	<p>-Promotes preservation, rehabilitation, and maintenance of historically designated properties by the property owner.</p> <p>-May provide substantial tax relief to the property owner, particularly on recently-acquired properties which would have higher assessed property values.</p> <p>-The historic contract could boost the marketability of a property.</p>	<p>-Future of the Mills Act program depends on City Council action.</p> <p>-If a 3-year extension is granted to the pilot program, possible future authorization of a permanent program.</p>	<p>City Council & CHC</p> <p>City staff – Planning Division; City Attorney's Office.</p> <p>Los Angeles County Assessor's Office</p> <p>Possibly an outside consultant for fiscal impact analysis.</p> <p>Beverly Hills Unified School District (BHUSD)</p> <p>Engage the community</p>

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FINANCIAL	<p>Fee waivers or deductions</p> <p>Some cities offer full or partial refunds of building permit fees for work on historic properties.</p> <p>*See "Parking" section of this report below for further discussion of In Lieu Parking as a financial incentive.</p>	Mid	<p>For City: <i>Mid – High.</i></p> <p>-Reduced fees to applicants prevent cost recovery of staff time for processing permits.</p>	<p>-The fiscal impact of reduced fees (revenue) should inform how the subsidy is structured.</p> <p>-Recommendation that only properties that are local landmarks be eligible to apply.</p> <p>-Recommendation that only building permit or planning application fees be eligible, not other fees collected, e.g. development impact fees</p>	<p>-Would be a local incentive specific to City of Beverly Hills (though other cities also have similar programs)</p> <p>-Direct financial incentive to encourage property owners to maintain or rehabilitate historic properties.</p>	<p>-Study how to structure such a program – criteria for eligibility, amount of fees to be refunded, etc.</p> <p>-City staff or possibly an outside consultant to conduct a fiscal impact analysis.</p>	<p>City staff – Planning Division; Building and Safety Division</p> <p>Possible outside consultant for fiscal impact analysis.</p> <p>City Council for approval of fee schedule</p>

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CONSERVATION	<p>Conservation and Façade Easements</p> <p>Conservation and façade easements allow a property owner to receive an income tax deduction by donating a part of the historic property to a qualified preservation organization (considered a charitable donation) that will oversee that the historic and architectural qualities of the structure are not altered in the future.</p>	Mid	<p>For City: <i>Low</i>, if the easements are handled by an outside preservation organization such as the LA Conservancy. City would not be a party to the binding agreement between the property owner and easement holder.</p> <p>For applicant: <i>Mid</i>. Restricts the future appearance and/or use of the property. Requires applicant to process application and agreement.</p>	<p>-The LA Conservancy or similar entity could be the easement holder for such easements. If appropriate in the future, Beverly Hills could establish its own non-profit conservancy (e.g. similar to Pasadena Heritage or Santa Monica Conservancy).</p>	<p>-Protects the architectural and historical significance of a building by restricting the right to alter its appearance or footprint.</p> <p>-The property owner who donates an easement can receive a one-time income tax deduction. The value of the easement is determined by calculating the difference between the fair market value of the property without the easement, and the value of the property with the easement restrictions (limitations on future development, height, use, etc.)</p>	<p>-Staff to identify projects which may be good candidates for such an easement, and direct applicants to a conservation organization.</p>	<p>City Staff – Urban Design Team.</p> <p>Conservation organization (e.g. LA Conservancy).</p>

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<p style="writing-mode: vertical-rl; transform: rotate(180deg);">CONSERVATION</p>	<p>Transfer of Development Rights (TDR)</p> <p>TDR is a growth management tool that allows for the development potential on sensitive sites to be transferred or sold to non-sensitive sites through the private market.</p> <p>*See “Transfer of Development Rights” section of this Report for further discussion of TDR as a financial incentive.</p>	<p>Long</p>	<p>For City: <i>High</i>. Initial cost of developing a TDR program would be high and would need to be funded as a separate work program. However, there is a high potential for revenue generation in the long run.</p> <p>For applicant: Value of buying & selling development rights would be determined in the marketplace.</p> <p>There may be additional application processing costs charged to the applicant and borne by the City.</p>	<p>-Developing a TDR program could be a complicated and complex process. Designing and implementing such programs has proven to be difficult (but not impossible) elsewhere.</p> <p>-Factors that will influence the TDR market include: local housing and land market conditions; underlying zoning restrictions; ability to acquire additional density through other means, etc.</p> <p>-TDR would potentially allow height, density and F.A.R. beyond current development standards in the City; this would be weighed against the public benefit of preservation in the community.</p>	<p>-Discourages demolition of historic buildings by allowing property owners to realize the unused economic potential of their property. This could translate to very substantial financial benefits to the owner.</p> <p>-Helps minimize any negative economic impacts to landowners by providing a path for a property owner to recoup part of the economic loss that local landmark designation may have caused.</p> <p>-TDR programs prosper in areas with high land values and hefty development pressures, both of which apply to Beverly Hills.</p>	<p>City would need to establish a “TDR Bank” and designate areas where development may be transferred to or from. The “sending zone” is the area to be protected, where development potential will be exported from. “Receiving zones” are areas designated to accept development potentials, which are appropriate for and exhibit a market demand for increased density.</p> <p>-Conduct a land suitability analysis to determine which areas of the City are appropriate sending and receiving zones.</p> <p>-Hold community meetings to involve stakeholders</p>	<p>City Staff – Planning Division; City Attorney’s Office.</p> <p>Outside consultants for analysis and drafting program.</p> <p>Engage the community: residents, property owners, and business, real estate & development community.</p>

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CONSTRUCTION	<p>California State Historic Building Code (CHBC)</p> <p>The state recognizes that historic buildings have unique construction qualities and so the CHBC provides an alternate building code applicable for use by historic properties, which is performance-based rather than prescriptive.</p>	Mid	<p>For City: <i>Low</i>.</p> <p>For applicant: <i>Low</i>. Would need to go through process to seek designation as a local landmark.</p>	<p>-Recommendation that only properties that are designated as Local Landmarks or “character contributing buildings” be eligible to utilize the CHBC.</p>	<p>-Allows for flexibility in the otherwise rigid building regulations to enable sensible rehabilitation, restoration, preservation, relocation, or change in occupancy of historic buildings.</p> <p>-Aims to encourage preservation of historic buildings and conservation of architectural elements while maintaining standards for public safety.</p> <p>-Intent is to further a cost-effective approach to preservation.</p>	<p>-City has already adopted the CHBC.</p> <p>-Inform eligible properties of the available use of the CHBC.</p>	<p>City Staff – Planning Division; Building & Safety Division; Development Services Team.</p> <p>Could partner with professional organizations (e.g. California Building Industry Association [BIA], American Institute of Architects [AIA]) to publicize the option of using the CHBC in Beverly Hills.</p>

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CONSTRUCTION	<p>California Seismic Bond Act</p> <p>Property tax relief is available in California under certain circumstances to owners of historic, unreinforced masonry buildings that are required to be seismically upgraded.</p>	Short	<p>For City: <i>none</i>.</p> <p>For applicant: <i>Low</i>.</p>	-Applies to unreinforced masonry buildings (URM). Provides a 15-year new construction exclusion for improvements made to URMs undertaken to comply with local ordinances on seismic safety.	<p>-This incentive can offer owners sizable tax savings while protecting at-risk historic masonry buildings.</p> <p>-The value of seismic upgrade retrofitting to unreinforced masonry buildings can be deducted from property valuation over a fifteen year period.</p>	-City staff to inform owners of eligible properties of the availability of property tax relief under the California Seismic Bond Act	<p>City Staff – Planning Division; Building & Safety Division; Development Services Team.</p> <p>Engage the community: property owners and real estate & development community.</p>

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ZONING	<p>Adaptive Reuse Ordinance</p> <p>An adaptive reuse ordinance could modify zoning requirements to facilitate the conversion of existing historic structures into new uses. The ordinance could create an expedited approval process and ensure that older and historic buildings are not subjected to the same zoning and code requirements that apply to new construction, which might otherwise preclude reuse of historic buildings.</p>	Long	<p>For City: <i>High</i>. Initial cost of developing an ordinance could be high and would need to be funded as a separate work program. However, there is a potential for revenue generation in the long run.</p>	<p>-Thorough research and analysis would need to be conducted to examine the suitability of such an ordinance for Beverly Hills.</p> <p>-Consider if ordinance should apply only to properties listed on the local register.</p> <p>-All work should be conducted in accordance with the Secretary of the Interior's (SOI) Standards</p>	<p>-Would facilitate the process of converting historic structures and encourage the preservation of historic resources</p> <p>-Allows obsolete historic structures to breathe new life through rehabilitation and change of use.</p> <p>-Could be a neighborhood revitalization tool for underutilized areas of the city</p> <p>-Can help create new housing units to serve market-rate and affordable tenants.</p>	<p>-Study other cities' adaptive reuse ordinances.</p> <p>-Begin to investigate the appropriateness of such an ordinance in Beverly Hills by identifying potential subject properties, etc.</p> <p>-Hold community meetings to involve stakeholders</p>	<p>City staff – Planning Division; Building & Safety Division; City Attorney's Office.</p> <p>May need to employ a consultant to conduct analysis and/or draft the ordinance.</p> <p>Could seek guidance from other cities, such as Los Angeles, who have adopted such an ordinance.</p> <p>Engage the community: residents, property owners, and business, real estate & development community.</p>

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ZONING	<p>Bonus or Incentive Zoning</p> <p>A developer may be granted certain zoning “bonuses,” e.g. additional density above and beyond what would ordinarily permitted by the zoning code in exchange for providing a public amenity such as historic preservation.</p>	Long	<p>For City: <i>High</i>. Initial cost of developing an ordinance could be high and would need to be funded as a separate work program. However, there is a potential for revenue generation in the long run.</p>	<p>-Thorough research and analysis would need to be conducted to examine the suitability of such an ordinance for Beverly Hills.</p> <p>-Consider if ordinance should apply only to properties listed on the local register.</p> <p>-Bonus or incentive zoning would potentially allow height, density and F.A.R. beyond current development standards in the City; this would be weighed against the public benefit of preservation in the community.</p>	<p>-Incentivizes developers to save and reuse historic structures rather than demolish them to make way for new development.</p> <p>-Benefits the public through provision of amenities such as historic preservation, open space, affordable housing, etc.</p>	<p>- Begin a study to investigate the appropriateness of such an ordinance in Beverly Hills by identifying potential subject properties, etc.</p> <p>-Explore the possibility of tying zoning bonuses to meeting the City’s housing needs as identified in the Housing Element of the General Plan.</p> <p>-Hold community meetings to involve stakeholders</p>	<p>Planning Commission</p> <p>City staff – Planning Division; Building & Safety Division; Development Services Team.</p> <p>Engage the community: residents, property owners, and business, real estate & development community.</p> <p>Include resident groups for zoning changes that are proposed in or near to residential areas.</p>

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ZONING	<p>Parking Reduction</p> <p>City could offer a reduction in in-lieu parking fees or other parking relaxations to encourage the preservation or reuse of historic buildings.</p> <p>*See "Parking" section of the 9/12/13 PC Report for further discussion of In Lieu Parking as a financial incentive.</p>	<p>Short – Mid</p> <p>The proposed amendment to the Historic Preservation Ordinance (CC will consider in early 2014) includes a new section to enable the CC or PC to grant an in lieu parking waiver for a Local Landmark property.</p>	<p>For City: <i>High</i>. Loss of in-lieu parking fees could be substantial. The actual amount of any fee waiver or reduction for a property would be determined by the Planning Commission and/or City Council on a case-by-case basis.</p> <p>For applicant: <i>Low</i>. Applicant would need to go through the process to request in lieu parking fee waiver/reduction, but if approved, parking fee savings could be considerable.</p>	<p>-Consider whether an expansion of the types of uses permitted for adaptive reuse of Local Landmark properties would be appropriate, or if it would be desirable to look at other parking incentives for Local Landmarks not located within an in lieu parking district, such as a reduction in the amount of required off-street parking.</p> <p>-If in the future an in-lieu parking expansion study is undertaken, it should carefully consider the impact on potentially historic properties when analyzing new area boundaries.</p>	<p>-Reduction in in-lieu parking fees or on-site parking requirements could translate into substantial cost savings for applicant.</p> <p>-Flexibility in standards could enable historic structures to be utilized, which might not otherwise be able to provide required parking on- or off-site.</p>	<p>-Zoning Code text amendment would need to be adopted</p>	<p>Planning Commission</p> <p>City Council</p> <p>City staff – Planning Division; Transportation Division.</p> <p>Engage the community: residents, property owners, and business, real estate & development community.</p>

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ADMINISTRATIVE	<p>Resource Guide for Homeowners</p> <p>Compile a guidebook of resources and tips for owners of historic properties, e.g. guidelines for restoration</p>	Short	<p>For City: <i>Low – Mid.</i></p> <p>-Staff time.</p> <p>-Design services.</p> <p>-Printing costs.</p>	<p>-Whether to compile one comprehensive manual or to create a series of guides.</p> <p>-Once published, keeping information current and accurate could be an issue.</p>	To be able to provide easily accessible information to homeowners.	<p>-Conduct research, compile information</p> <p>-Document design</p> <p>-Publish and disseminate</p>	<p>City Staff – Planning Division; Graphic Services.</p> <p>Consult other cities or organizations for content.</p> <p>Possibly hire consultant for graphic design.</p> <p>Disseminate finished product through citizens groups such as homeowners associations.</p>
ADMINISTRATIVE	<p>Prioritization of project approvals</p> <p>Projects involving historic properties could be moved to the top of the application priority list.</p>	Short	<p>For City: <i>Low.</i> Staff time and reprioritization.</p> <p>For applicant: <i>none.</i></p>	Recommendation that only properties that only local landmarks be eligible for priority processing.	Time savings could translate to financial savings for applicants.	-Adopt a City policy regarding which projects or properties should receive fast-track priority processing.	City staff – Planning Division; Building & Safety Division; Development Services Team.

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ADMINISTRATIVE	<p>Track 1 (Staff Level) Design Review</p> <p>Any construction of or alteration to a single family residence in the Central area of the City that is visible from the street is subject to a R-1 Design Review permit. Two levels of approval exist: Track 1 (staff level) or Track 2 (Commission level).</p> <p>The incentive could be structured to grant Track 1-level processing for projects designed in a historically appropriate fashion (consistent with SOI Standards).</p>	Short	<p>For City: <i>Low</i>.</p> <p>For applicant: <i>Mid</i>. Applicant would experience savings in terms of Design Review permit processing time and application fees.</p>	-If a project that is subject to design review is designed in conformance with the Secretary of the Interior's Standards for the Treatment of Historic Properties (SOI Standards), it could be processed at the Track 1 level.	<p>-Applicants on Design Review projects often express a strong desire to be processed at the Track 1 level, so this would provide an incentive to design consistent with the SOI Standards.</p> <p>-Track 1 Design Review applications are otherwise required to be a "pure architectural style," but having the Urban Designer review for conformance with SOI Standards would ensure that the alteration to a historic building would still be historically appropriate.</p>	-Zoning Code text amendment would need to be adopted	<p>City Council (for code amendment adoption)</p> <p>Design Review Commission</p> <p>City Staff - Urban Design Team</p> <p>Engage the community: homeowners and architects/designers.</p>

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ADMINISTRATIVE	<p>Architectural Review</p> <p>Construction or alteration of any building, structure, sign, wall, fence, or landscaping located in any zone other than a single-family residential zone is subject to Architectural Review. A limited scope of improvements, i.e. a small sign or a like-for-like material change out, can currently be reviewed and approved by Planning Division staff. Larger scope projects require review by the Architectural Commission.</p> <p>The incentive could be structured to grant staff-level review for a wider scope of projects designed in a historically appropriate fashion (consistent with SOI Standards), as determined by the City's Urban Designer.</p>	Short	<p>For City: <i>Low</i>.</p> <p>For applicant: <i>Mid</i>. Applicant would experience savings in terms of Architectural Review permit processing time and application fees.</p>	<p>-If a project that is subject to architectural review is designed in conformance with the Secretary of the Interior's Standards for the Treatment of Historic Properties (SOI Standards), it could be processed at the staff level.</p>	<p>-Applicants on Architectural Review projects often express a strong desire to be processed at the staff level, so this would provide an incentive to design consistent with the SOI Standards.</p> <p>-The City's Urban Designer could be the reviewing authority for design and conformance with SOI Standards, which would ensure that the alteration to a historic building would still be historically and architecturally appropriate.</p>	<p>-Zoning Code text amendment would need to be adopted</p>	<p>City Council (for code amendment adoption)</p> <p>Architectural Commission</p> <p>City Staff - Urban Design Team</p> <p>Engage the community: property owners and architects/designers.</p>

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ADMINISTRATIVE	<p>Plaques</p> <p>Owners of historical properties that have been designated by as either a Historic Landmark or a Contributing Resource on the Beverly Hills Register of Historic Properties are eligible to apply for a Beverly Hills Historic Property Plaque. The Plaque is to be placed on the exterior façade of the building or at the front of the property to acknowledge the date when the resource was constructed and its historic significance.</p>	Short	<p>For City: <i>Low – mid.</i></p> <p>For applicant: <i>Low – mid.</i></p>	<p>Cost will depend on if the City chooses to provide the plaque at no cost for landmarked properties. Currently, owners of landmarked properties may order plaques through the City's Urban Designer at a cost that ranges from approximately \$150 to \$930, based on the desired size of the plaque.</p>	<p>-Provides recognition to homeowner</p> <p>-Increases public awareness of Beverly Hills' history through a historical marker</p>	<p>-CHC could approach partner organization(s) to sponsor the plaque program by providing some or all of the cost of the plaque.</p> <p>-Staff to inform owners of locally landmarked properties of the plaque program.</p>	<p>City staff – Urban Design Team.</p> <p>Possible partner organization.</p>