

TOOLS STRATEGIES
POLICIES INCENTIVES
for Historic Preservation in
PHOENIX

COMPLETED BY PLACEECONOMICS FOR THE CITY OF PHOENIX | DECEMBER 2023

CONTENTS

- Introduction..... 2
- Recommendations..... 4
- Recommendations to Improve Community Engagement and Enhance Knowledge, Education, and Information..... 5**
 - Citywide Survey of Historic Resources 5
 - Create a Historic Preservation Community Engagement Staff Position and Appoint a Preservation Ombudsman 6
 - Improve Small Business and Property Owner Knowledge of Historic Preservation Designation 8
 - Create an Urban Design Center 9
 - Expand the Brown Bag Lunch and Speaker Series..... 9
 - Develop a City-Affiliated Nonprofit 12
- Recommendations to Respond to Development Pressure 14**
 - Actively Encourage use of ADUs in Historic and Older Neighborhoods 14
 - Modified By-right Zoning for Commercial Historic Properties..... 15
 - Enhance Protection of Commercial Corridors – Commercial Community Land Trusts 16
 - Enhance Protection of Commercial Corridors – Transferable Development Rights 18
 - Increase the Demolition Notification and Delay Time and Support Deconstruction Efforts 20
 - Simplify the State Property Tax Program for Income Producing Property Rehabilitation..... 21
 - Develop a Stronger Demolition by Neglect Ordinance..... 23
 - Increase the Penalty for Illegal Demolition and Alteration of Designated Properties..... 24
- Recommendations to Improve Existing Regulations and Preservation Tools 25**
 - Better Promote the International Existing Building Code (IEBC)..... 25
 - Train Building Inspectors in Historic Buildings 26
 - Sidebar: The Challenges of Site Plan Review in Older and Historic Properties 27
 - Adopt Standards for Historic Building Relocation 28
 - Modifications to Adaptive Reuse Program 29
 - Explore Historic District Designation Under Proposition 207 30
- Recommendations on Preservation Processes 32**
 - Training for Commissioners..... 33
- Conclusions..... 34**



INTRODUCTION

In 2021, PlaceEconomics conducted a study on the economic impact of historic districts in Phoenix for the City's Historic Preservation Office. That study outlined the ways in which historic districts in Phoenix contribute to the economic vitality of the city. This report presents practical ways forward, outlining a suite of challenges facing historic preservation in Phoenix, followed by recommendations for how to address them.

To help PlaceEconomics better understand the local context and identify specific challenges to preservation in Phoenix, a series of small group meetings were held with local stakeholders including real estate experts, developers, neighborhood advocates, housing advocates, preservationists, city council members, city staff, and others (see appendix for a full list). Stakeholders were asked to identify obstacles to historic preservation and possible strategies to address those obstacles.

At a subsequent meeting with the same stakeholders, PlaceEconomics presented a list of what had been learned in previous sessions for either confirmation, clarification, or correction. With the help of these conversations, PlaceEconomics has prepared this report. The report presents preservation challenges taken directly from our stakeholder conversations, which are followed by recommendations to address the challenge. Each recommendation also includes examples from other cities that might serve as useful models and inspiration.

The preservation challenges and recommendations presented in this report are framed by the **following realities:**

- After the passage of Arizona Proposition 207, a ballot measure introduced in 2006 also known as the Private Property Rights Protection Act, municipalities are limited in their ability to designate new local historic districts. As a result, the basic tools for protecting historic assets used by virtually every other large city in America are severely limited.
- Phoenix City Council has established a high priority for "sustainability," and sustainability in Phoenix should not be restricted to shade and water concerns. The reuse of existing buildings, historic or otherwise, is an important aspect of a comprehensive sustainability strategy.
- Most of the rules, regulations, perspectives, and code applications of Phoenix's city government are focused on creating new and big development, not prioritizing support for existing sites and structures. This skew in priorities has a large carbon impact.
- Finally, as in every growing city, housing affordability is a big issue. New construction is one aspect of addressing this but keeping, maintaining, and reusing existing older housing is more cost-effective and should be a priority for the City.

While presenting recommendations for addressing a range of historic preservation challenges, this report is not meant to be a critique of existing tools (i.e. grants, residential property tax abatement, easements, adaptive reuse ordinance, bond funding, others) that the City's Historic Preservation Office has used very successfully. Rather, this is a recognition that more tools, strategies, policies, and incentives are needed, and some of the existing tools need modification. It should also be noted that some of the challenges identified result from inadequate resources in the Historic Preservation Office, not an absence of effort or thought on the part of preservation staff, the Historic Preservation Commission, and other relevant City personnel.

RECOMMENDATIONS

As stated in the Introduction, the below recommendations were derived from a series of meetings with engaged stakeholders. Their insight and local knowledge were critical to PlaceEconomics' understanding of the issues and opportunities for improving the historic preservation efforts in Phoenix.

Based on these conversations, the following have been identified as the overarching challenges to historic preservation in Phoenix:

- **A LACK OF KNOWLEDGE, EDUCATION, AND INFORMATION AND INSUFFICIENT COMMUNITY ENGAGEMENT**
- **DEVELOPMENT PRESSURE**
- **EXISTING REGULATIONS AND INADEQUACY OF EXISTING PRESERVATION TOOLS**
- **PROCESSES AND PROCEDURES OF HISTORIC PRESERVATION COMMISSION**

Within these four broad categories of challenges, recommendations have been identified to address specific components of each challenge. While there are actions that the City can take to address these issues, not all of the recommendations listed below are the responsibility of the Historic Preservation Office or of the City of Phoenix. Some recommendations would require action by another department within the City, at the State level, or by non-governmental organizations.

Each recommendation is structured in a parallel fashion. At the beginning of each recommendation, the challenge being addressed will be identified, followed by an overview of the action required to enact the recommendation, a brief assessment of the impact(s) of adopting the recommendation, and a general rating on four criteria: Complexity of implementation, Cost to the City, Likely effectiveness of the recommendation and Likely acceptance of the recommendation by stakeholders.

In some cases, two or three recommendations are combined as they are largely addressing the same challenge and could be implemented together. In other instances, particularly for more complex responses, the recommendation will be a single initiative.

RECOMMENDATIONS TO IMPROVE COMMUNITY ENGAGEMENT AND ENHANCE KNOWLEDGE, EDUCATION, AND INFORMATION

Citywide Survey of Historic Resources

- ❖ **Challenge Addressed:** *There is no comprehensive survey of Phoenix's historic resources*
- ❖ **Action Required:** *City Administrative*
- ❖ **Impact(s):** *Improved community engagement, Improved information environment*
- ❖ **Complexity:** *Medium*
- ❖ **Cost:** *High*
- ❖ **Effectiveness:** *High*
- ❖ **Likely Acceptance by Stakeholders:** *Very High*

A citywide survey of historic resources provides a critical baseline of information that can aid in a number of different planning objectives and regulatory processes. In this report, the concept of a survey ties into other recommendations in this report.

Surveys are important because, often, developers get far into the development process without knowing that a building might have historic significance. Additionally, historic preservation advocates and community members don't become aware of threatened buildings or sites until it is too late to intervene. A publicly available list of surveyed buildings--created and maintained by the City or a heritage partner--would provide an important starting place for various forms of advocacy or

A CITYWIDE SURVEY OF HISTORIC RESOURCES PROVIDES A CRITICAL BASELINE OF INFORMATION THAT CAN AID IN A NUMBER OF DIFFERENT PLANNING OBJECTIVES AND REGULATORY PROCESSES.

protection. Advocates could monitor the list for permit activity, market the list to developers for rehabilitation, or begin outreach with the property owner about heritage incentives or designation. Public access to this list of eligible properties would provide heritage advocates with an opportunity to intervene early in the development process to express concerns or offer suggestions for appropriate treatment of heritage buildings. The survey process itself is a wonderful opportunity for community engagement, both broadly about the process, and in specific neighborhoods that are being surveyed.

How to do it: To launch a full-city, comprehensive windshield survey, the City would enlist a planning or Cultural Resource Management (CRM) firm to undertake and oversee the survey. Stakeholders indicated that funding for survey work has recently been approved. The field work could be conducted by community volunteers who have undergone training and are overseen by qualified historic preservation professionals. Further community engagement could come in the form of a listening session with

community members in which the City and CRM firm explain the process and its importance in the planning process, perhaps as a part of the Brown Bag Lunch Series and Speaker Series recommended in this report. The City and the consulting firm can also use this as an opportunity to gather information about what resources the community deems significant.

Resources being surveyed should be organized into a tiered categorization system. For instance, buildings that are already landmarked should be categorized as Grade I, resources that are not landmarked but demonstrate architectural merit or cultural significance should be categorized as Grade II, and so on. This will help distinguish resources during regulatory and planning processes. Finally, it is important that this survey be updated periodically—every 10 years is a good practice—so that future decisions are informed by good data.

IT IS IMPORTANT THAT THIS SURVEY BE UPDATED PERIODICALLY—EVERY 10 YEARS IS A GOOD PRACTICE—SO THAT FUTURE DECISIONS ARE INFORMED BY GOOD DATA.

Resources & Examples:

- **Survey LA, City of Los Angeles and Getty Conservation Institute**

Survey LA was a citywide comprehensive survey undertaken in partnership with the City of Los Angeles and the J. Paul Getty Trust. The surveys and resource evaluations were completed by consultant teams meeting professional qualification standards in historic preservation under the supervision of the Office of Historic Resources. The findings were presented on HistoricPlacesLA, the City’s online historic resource inventory and management system. HistoricPlacesLA uses Arches, an open-source, geospatial, and web-based software built as a platform for documenting and cataloging cultural heritage places worldwide. Surveyed resources were categorized into the California Historic Resources Status Codes framework.

<https://planning.lacity.org/preservation-design/historic-resources-survey>

Create a Historic Preservation Community Engagement Staff Position and Appoint a Preservation Ombudsman

- ❖ **Challenge Addressed:** *Lack of community engagement*
- ❖ **Action Required:** *City Administrative*
- ❖ **Impact(s):** *Improved community engagement*
- ❖ **Complexity:** *Low*
- ❖ **Cost:** *Medium*
- ❖ **Effectiveness:** *High*
- ❖ **Likely Acceptance by Stakeholders:** *Very High*

In a rapidly growing city, the pace of change often limits timely and meaningful community engagement, although that is when it is most often needed. Citizens can be quickly overwhelmed by all that is happening or be deterred by processes that feel overly opaque and bureaucratic. Providing access to

those involved at the city level who can help them understand how to participate in the development and preservation processes would help clarify modes of participation and boost community engagement.

Most citizens want to have a better idea of their options for engaging with developers and city staff in a positive manner. We heard from both neighborhood interests and developers that citizens often do not know what is happening in their neighborhood, and some do not know the rules that may apply to designated historic properties. This can lead to misunderstanding and, at worst, acrimony. Developing a system for sharing information and staffing public-facing positions that can help residents navigate these complex processes would improve community engagement and communication.

How to do it: To facilitate better and more timely community involvement, the City should create a staff position for a full-time community engagement person within the Historic Preservation Office. Having a person dedicated to community engagement within the HPO will allow the office to be more timely in its response to citizen and developer concerns. This person will not only be responsive to citizen questions but should also do proactive outreach work in neighborhoods that will be impacted by preservation and development initiatives.

The City should also create a Preservation Ombudsman position in the Historic Preservation Office. The role of an ombudsman is to act as a neutral representative to help individuals or groups resolve concerns or issues, in this case, relating to the conservation and rehabilitation of historic properties. The Ombudsman would also be a point source for where to go for help or to get questions answered. We understand that the Planning and Development Department already has Ombudsmen, possibly one of them should have a preservation focus.


Resources & Examples:

- **Community Engagement Specialist: Preservation Resource Center of New Orleans, LA**
The Preservation Resource Center of New Orleans has a Community Engagement Specialist on staff whose role is to work specifically with the city's multicultural communities. The Specialist works with neighborhoods across the city, helping residents understand preservation tools, gathering feedback, developing partnerships, and learning directly from residents about ways that they would like to see preservation serve their community.
<https://prcno.org/hiring-community-engagement-specialist/>
- **Housing Provider Ombudsman: Washington, DC**
Washington DC's Department of Housing and Community Development has a Housing Provider Ombudsman that helps small housing providers better understand the District of Columbia's housing laws. They may explain HRA notices, provide technical assistance on rent control, tenant opportunity to purchase (TOPA) processes, or offer other education and outreach.
<https://dhcd.dc.gov/service/housing-provider-ombudsman>

Improve Small Business and Property Owner Knowledge of Historic Preservation Designation

- ❖ **Challenge Addressed:** *Small business/property owners do not understand the historic designation process*
- ❖ **Action Required:** *City Administrative, HPO Administrative*
- ❖ **Impact(s):** *Better understanding of designation process and better buy-in from key constituent groups*
- ❖ **Complexity:** *Medium*
- ❖ **Cost:** *Medium*
- ❖ **Effectiveness:** *High*
- ❖ **Likely Acceptance by Stakeholders:** *High*

People often aren't familiar with the historic designation application process unless they've been through it, which means it's ripe for misunderstanding. Assumptions are often made about what one can or cannot do with their property once it has been designated as "historic," which leads to an overall distrust and unease around the process. Providing access to clear and easily understood information about historic designation—how it can benefit property owners and clear illustrations of what can and cannot be done to designated properties—would help reduce misunderstanding and may also encourage additional designation applications.

How to do it: Increased outreach and education through the methods outlined in the previous recommendation would also help address this challenge. The Preservation Ombudsman position would also be of value here. An ombudsman's primary role may be facilitating conversations between and among competing interests, but they can also be a reference point for information on preservation in general and designation, specifically. Business and/or property owners uncertain about the potential effects of historic designation could go to the Preservation Ombudsman with questions and get answers or directions to sources of information. The Preservation Ombudsman could also provide technical assistance in  credit applications for those who wish to utilize the tax credits but have no experience or limited access to assistance.

The City should also utilize its "Brown Bag Lunch" series (see recommendation below) to directly address the pros and cons of historic designation for small business and property owners.

PROVIDING ACCESS TO CLEAR AND EASILY UNDERSTOOD INFORMATION ABOUT HISTORIC DESIGNATION—HOW IT CAN BENEFIT PROPERTY OWNERS AND CLEAR ILLUSTRATIONS OF WHAT CAN AND CANNOT BE DONE TO DESIGNATED PROPERTIES—WOULD HELP REDUCE MISUNDERSTANDING AND MAY ALSO ENCOURAGE ADDITIONAL DESIGNATION APPLICATIONS.

Expand the Brown Bag Lunch and Speaker Series

- ❖ **Challenge Addressed:** *Lack of education about historic preservation, heritage, and local history*
- ❖ **Action Required:** *HPO Administrative*
- ❖ **Impact(s):** *Improve Information Environment*
- ❖ **Complexity:** *Low*
- ❖ **Cost:** *Low*
- ❖ **Effectiveness:** *Medium*
- ❖ **Likely Acceptance by Stakeholders:** *High*

Stakeholders expressed interest in seeing the Historic Preservation Office revive the Brown Bag Lunch series offered across the City's departments. The lunches hosted by the Historic Preservation Office featured speakers on different facets of Phoenix's architectural history and current issues in historic preservation. Many people, whether they are new to Phoenix or longtime residents, enjoy the opportunity to learn about its history and heritage. The series would also be a great way to increase the general public's understanding about preservation, more generally, increase community engagement, and provide an opportunity to educate residents on the benefits of historic preservation for Phoenix. It could also serve as an opportunity for cross-departmental engagement.

This is also an opportunity to increase mutual understanding between communities and developers. Citizens are not routinely engaged in development and are unlikely to understand the many variables that are part of that process, either from the private or public side. When development is being considered in their neighborhood without proper community engagement, that lack of understanding often leads to suspicion and concern, and sometimes active resistance. Knowledge about development, the development process, and city management tools for working with development is important when change seems to happen on a daily basis. A well-informed public will be better equipped to engage constructively in conversations about city growth and change.

How to do it: The Historic Preservation Office, or the Urban Design Center should it be created, should continue and expand the "Brown Bag Lunches" where local experts could present information on the history and heritage of the area, or on special topics related to heritage preservation.

For more formal presentations or topics needing more depth, the Historic Preservation Office, or Urban Design Center, should establish an annual "Speaker Series" (see recommendation below.) People could be invited to the city to talk about a broad range of heritage, preservation, or urban design topics.

Both series could include content about development, the development process and financing, and city oversight, and invite the public and developers to attend with a goal of increasing mutual understanding of their positions. The Speaker Series should be utilized for more in-depth presentations and community conversations about development. The Brown Bag Lunch Series should offer shorter, more tightly focused overviews of timely issues. This could be a function under the Urban Design Center or through city planning.

Resources & Examples:

- **People+Place, LA Conservancy**

LA Conservancy's People+Places is a virtual conversation series that brings together advocates, experts, and community members to address topics that intersect with preservation, heritage, and identity in an approachable and open-ended way.

<https://www.laconservancy.org/people-places-virtual-conversation-series>

- **Timely Connections Lecture Series, City of Raleigh Museum, Raleigh, NC**

Timely Connections is a lecture series that focuses on North Carolina history and culture.

<https://raleighnc.gov/parks/timely-connections-lecture-series-cor-museum>

- **The Raleigh Historic Development Commission (RHDC)** serves as the City Council's official historic preservation advisory body to identify, preserve, protect, and promote Raleigh's historic resources.

<https://raleighnc.gov/planning-and-development/raleigh-historic-development-commission>

<https://rhdc.org/>

Create an Urban Design Center

- ❖ **Challenge Addressed:** *No urban design advocacy*
- ❖ **Action Required:** *City Legislative, City Administrative*
- ❖ **Impact(s):** *Improved public awareness of good design*
- ❖ **Complexity:** *High*
- ❖ **Cost:** *High*
- ❖ **Effectiveness:** *High*
- ❖ **Likely Acceptance by Stakeholders:** *High*

In Phoenix, there is no urban design center, public or private, where good design solutions can be discussed and promoted or where a design vision for the city could be debated and created. The lack of such a center limits the opportunity for developers, designers, planners, and interested citizens to discuss urban design and the built environment of Phoenix. Any advocacy for good urban design that does occur is scattered, lacking a central voice or coherent vision.

How to do it: Establish an urban design center within City Hall. Many cities have created urban design centers to help frame the city's design vision. An urban design center can be tasked with identifying target areas for redevelopment, where public funds are used to set the baseline for city improvements, in addition to demonstration or pilot projects in partnership with developers to showcase good design practices. They can also provide opportunities for broader public education through lecture series featuring designers who can share work that exemplifies the city's design goals. Urban design centers can promote advocacy and education to improve the city's overall built environment, and by extension, influence the quality of private investment in the city.



Resources & Examples:

- **Planning, Design, & Development Department, Charlotte, North Carolina**
The Planning, Design & Development Department formed an Urban Design Center in 2016 to "advance the quality of Charlotte's built environment and bring public awareness to the importance of urban design."
<https://charlottenc.gov/planning/urbandesign/Pages/default.aspx>
- **Civic Design Center, Nashville, Tennessee**
The Civic Design Center's mission is "to advocate for civic design visions and actionable change in communities to improve quality of life for all."
<https://www.civicedesigncenter.org/our-purpose/mission>
- **Building Our City speaker series, Asheville, North Carolina**
The Building Our City speaker series is a free ongoing series featuring national experts on urban design, planning, placemaking, transportation and other community development topics. Building Our City facilitates "deep-dive" community conversations dedicated to creating a better understanding about the role design plays in Asheville's growth. The goal is to help create conversations by hosting professionals from outside the region, who will bring innovative ideas as well as examples of other communities' successes and failures.
<https://mountainx.com/blogwire/building-our-city-buffalo-bernice-radle/>

Develop a City-Affiliated Nonprofit

- ❖ **Challenge Addressed:** *There is currently no full-time, staffed preservation advocacy organization in Phoenix*
- ❖ **Action Required:** *City Legislative, City Administrative, HPO Administrative*
- ❖ **Impact(s):** *Improve Information Environment*
- ❖ **Complexity:** *High*
- ❖ **Cost:** *High*
- ❖ **Effectiveness:** *High*
- ❖ **Likely Acceptance by Stakeholders:** *Very High*

Of the 10 largest US cities, Phoenix is the only one that does not have at least one staffed nonprofit historic preservation advocacy organization. Locally, Preserve PHX is an existing Historic Preservation Advocacy Organization with an all-volunteer board. Advocacy groups play an important role in public outreach and policy development and can also expand the capacity of the public staff by contributing to public outreach efforts, spearheading research initiatives, and advocating at public meetings and

**OF THE 10 LARGEST US CITIES,
PHOENIX IS THE ONLY ONE THAT
DOES NOT HAVE AT LEAST ONE
STAFFED NONPROFIT HISTORIC
PRESERVATION ADVOCACY
ORGANIZATION.**

hearings. Nonprofits are also able to take on roles that the city preservation staff are unable to, such as hosting preservation celebrations and raising funds for heritage protection.

How to do it: It is not the responsibility of the City of Phoenix to create a historic preservation advocacy organization. However, other cities have found it useful to develop a city-affiliated non-profit organization that is imbued with powers to educate and fundraise around issues of historic

preservation. San Antonio and Nashville both have developed city-affiliated nonprofits, described below. Such an organization does not replace a staffed advocacy organization, and nor should it. However, in the absence of an active, non-profit advocacy organization, a city-affiliated nonprofit can fill a critical educational gap. This organization can host educational events, raise money for educational events or capital campaigns, and acquire property for preservation or resell.

Resources & Examples:

- **Metro Historical Commission and Metro Historical Commission Foundation - Nashville**
Like Phoenix, Nashville does not have a fully staffed historic preservation nonprofit advocacy organization. Instead, two commissions exist within Nashville's Historic Preservation Department: the Metropolitan Historic Zoning Commission and the Metropolitan Historical Commission. The Metropolitan Historic Zoning Commission reviews applications to create new historic overlay districts and reviews and approves preservation permits in historic and conservation districts for new construction, alterations, additions, repair and demolition. The Metro Historical Commission performs functions similar to a non-profit organization. The Metropolitan Historical Commission is a municipal historic preservation agency working to document history, save and reuse buildings, and make the public more aware of the necessity

and advantages of preservation in Nashville and Davidson County, Tennessee. Created in 1966, the commission consists of fifteen citizens appointed by the mayor. Other responsibilities that fall under the Metropolitan Historical Commission include: locating, collecting and preserving historical material that it may consider relevant to the history of Davidson County; making appropriate arrangements for the purchase, preservation, promotion and use of any material; receiving and expending any money allocated to it by the Metropolitan Government; ascertaining and certifying any evaluation of gifts, bequests and devices where requested and whenever possible; sponsoring lectures, tours, exhibits and displays; sponsoring the preparation and publication of histories, guidebooks and similar material; and to take any other actions which it considers necessary and proper. The Metropolitan Historical Commission Foundation is an organization focused on history-based place, education, community outreach, and modernizing the ways in which the public can navigate local history in a mobile and interactive world. It is a 501(c)(3) nonprofit friends group which assists the Metropolitan Historical Commission in its efforts to identify, protect, study and interpret the rich history of Nashville. The MHC Foundation funds [Nashville Sites](https://www.nashville.gov/departments/historic-preservation), a major educational platform that hosts virtual tours of historic Nashville. <https://www.nashville.gov/departments/historic-preservation>

- **Power of Preservation Foundation - San Antonio**

The Power of Preservation (PoP) Foundation is a coalition of advocates, businesses, neighborhoods, and agencies that value sense of place, community preservation, and economic development. Proceeds raised by PoP support the hands-on preservation programs of the City of San Antonio Historic Preservation Office, including Rehabber Club workshops, REHABARAMA, Students Together Achieving Revitalization (S.T.A.R.), and the Living Heritage Trades Academy (LHTA). In 2018, PoP acquired the Kelso House through a donation, and have since partnered with the University of Texas at San Antonio to use the site as a learning lab for a hands-on component of the Construction Science curriculum. Through a partnership with Lake|Flato, PoP are pursuing San Antonio's first-ever residential Zero Carbon Certification from the International Living Future Institute at the Kelso House to demonstrate the intersection of carbon neutrality with historic preservation in practice.

<https://powerofpreservation.org/mission>

IT IS NOT THE RESPONSIBILITY OF THE CITY OF PHOENIX TO CREATE A HISTORIC PRESERVATION ADVOCACY ORGANIZATION. HOWEVER, OTHER CITIES HAVE FOUND IT USEFUL TO DEVELOP A CITY-AFFILIATED NON-PROFIT ORGANIZATION THAT IS IMBUED WITH POWERS TO EDUCATE AND FUNDRAISE AROUND ISSUES OF HISTORIC PRESERVATION.

RECOMMENDATIONS TO RESPOND TO DEVELOPMENT PRESSURE

Actively Encourage use of Accessory Dwelling Units (ADUs) in Historic and Older Neighborhoods

- ❖ **Specific Challenge Addressed:** Older homes on large lots zoned for multifamily
- ❖ **Action Required:** HPO Administrative
- ❖ **Impact(s):** Ease development pressures, add density
- ❖ **Complexity:** Medium
- ❖ **Cost:** Medium
- ❖ **Effectiveness:** High
- ❖ **Likely Acceptance by Stakeholders:** Medium

Many of Phoenix's older homes are situated on large lots and many of them are zoned for multi-family use. With the need for additional housing units, encouraging ADU construction on larger parcels containing historic properties makes sense. Older neighborhoods tend to be closer to downtown with better proximity to transit, in desirable areas. Older properties on larger lots may be under significant development pressure to raze the existing structure and replace it with apartments or condominiums. ADUs offer a way to boost density and add additional housing units while still retaining older building stock. Phoenix City Council recently passed an ADU (Accessory Dwelling Unit) ordinance, and this option should be strongly encouraged as a way to both increase needed density, but also retain architecturally and culturally important housing.

MANY OF PHOENIX'S OLDER HOMES ARE SITUATED ON LARGE LOTS AND MANY OF THEM ARE ZONED FOR MULTI-FAMILY USE, SO ENCOURAGING ADU CONSTRUCTION IN HISTORIC DISTRICTS MAKES SENSE.

How to do it: The use of ADUs should be actively encouraged both in designated historic districts and in potentially eligible areas. Create pattern book for ADUs in historic districts. This does not dictate the design for a homeowner but would provide ten or twelve examples of appropriate design that, if chosen by the property owner, would effectively fast track the approval process through the Historic Preservation Office.

Resources & Examples:

- **Denver Single Family + Initiative**

Denver has created the West Denver Single Family + initiative to encourage the construction of ADUs. They have created a pattern book of appropriate designs for the neighborhood.

<https://www.mywdrc.org/s/WDR-ADU-Unit-Plans-All-Combined.pdf>

Modified By-right Zoning for Commercial Historic Properties

- ❖ **Specific Challenge Addressed:** *Development pressure on lower-scale commercial neighborhoods*
- ❖ **Action Required:** *City Legislative, City Administrative, HPO Administrative*
- ❖ **Impact(s):** *Increase income; Improve investment environment, increase density*
- ❖ **Complexity:** *High*
- ❖ **Cost:** *Low*
- ❖ **Effectiveness:** *Medium*
- ❖ **Likely Acceptance by Stakeholders:** *Medium*

Small scale buildings in commercially zoned areas in Phoenix are frequently targets for acquisition and subsequent demolition of existing buildings in order to replace them with buildings both higher in stories and, inevitably, in rents. It is often these smaller buildings that are home to small, locally owned businesses. In fact, they often serve as incubators for start-up businesses. At the same time, commercial zoning can create a speculative premium for the land that encourages demolition of smaller structures. All of this is exacerbated by a property tax appraisal approach whereby land is assessed at its "highest and best use as if vacant." If a parcel of land is zoned, for example, for an eight-story structure but is currently occupied by a one-story building, the property taxes on the land can add to the incentive to demolish and develop to the full extent the zoning ordinance allows. Finally, the lot coverage of these small buildings may be significantly less than the entire lot reflecting, again, unused development potential. Very few small-scale commercial properties in Phoenix have any protections through local historic districts or individual landmarking.

IT IS OFTEN THESE SMALLER BUILDINGS THAT ARE HOME TO SMALL, LOCALLY OWNED BUSINESSES. AT THE SAME TIME, COMMERCIAL ZONING CAN CREATE A SPECULATIVE PREMIUM FOR THE LAND THAT ENCOURAGES DEMOLITION OF SMALLER STRUCTURES.

How to do it: Commercial properties that are designated historic or identified as eligible for historic designation should be allowed to more fully capture the development potential of the site if the historic building is appropriately incorporated into the overall design scheme. The approval of the Historic Preservation Office would determine if the proposal appropriately incorporated the historic building(s) but would include consideration of visibility from the street, accessibility, etc. If approved, the site could be developed to the maximum density permitted under current zoning for the land not occupied by the historic building. In some cases, it might be permitted to demolish rear portions of the building when they do not include significant architectural features.

Resources & Examples:

- **Washington, DC, Commercial Historic District Design Guidelines**
Washington, DC, has a wealth of historic buildings of monumental scale. But it's also home to dozens of neighborhood commercial areas with more modest buildings which are still important in the city's culture and history. Because of the constraints imposed by the District's boundaries, additional development cannot be obtained through annexation of adjacent land. There is also a scarcity of vacant land that is not in public use, such as parkland and related uses. Therefore, new development needs to be accommodated within existing buildings, including those designated

and protected as historic. The design guidelines for historic commercial buildings emphasize maintaining character defining features but also allow new development, both as infill construction of vacant lots but also in the form of additions to existing historic buildings.

https://planning.dc.gov/sites/default/files/dc/sites/op/publication/attachments/HPO_commercial_guidelines_revis_08_2010.pdf

- **Washington, DC, Mixed Use Neighborhood Design Guidelines**

For some DC historic districts, design guidelines are created at the neighborhood level to reflect any nuances and special circumstances of the area. One such example is the George Washington University historic district. This is a mixed-use area that includes residential, commercial, and institutional buildings and uses. It is also an area where additional new construction is anticipated. Buildings within the area have been assigned a grade based on their respective importance to the district, including non-contributing status. The appropriateness of additions, permitted demolition, and new construction are based in part on the level of historic building that is being affected by the proposal.

https://planning.dc.gov/sites/default/files/dc/sites/op/publication/attachments/GW%2520We%2520End%2520Design%2520Guidelines_2.pdf&sa=U&ved=2ahUKewjZvJucoYT_AhWID1kFHRt-BnQQFnoECAYQAQ&usq=AOvVaw1a7qO8FxXOvwJPFbkM7onz

Enhance Protection of Commercial Corridors – Commercial Community Land Trusts

- ❖ **Challenge Addressed:** *Development pressure on smaller scale commercial districts*
- ❖ **Action Required:** *City Legislative, City Administrative*
- ❖ **Impact(s):** *Reduce development pressure on commercial corridors*
- ❖ **Complexity:** *High*
- ❖ **Cost:** *High*
- ❖ **Effectiveness:** *High*
- ❖ **Likely Acceptance by Stakeholders:** *Medium*

Beyond development pressure on individual older commercial buildings, there is also significant pressure on older commercial corridors. In the earlier PlaceEconomics study, six commercial corridors with a concentration of older and potentially historic commercial structures were identified. These

**A COMMERCIAL COMMUNITY
LAND TRUST MAY ACHIEVE
GOALS OF BOTH PRESERVATION
AND MAINTAINING AFFORDABLE
COMMERCIAL RENTS.**

districts included: Uptown District, Melrose District, Grand Avenue District, Miracle Mile District, West Van Buren District, and the Warehouse District. Some of the historic buildings in these districts are protected through preservation easements which were often negotiated as part of a grant or other incentive program. However, most easements are only in place for five to twenty years. None of these districts has the protection provided by a local historic district.

How to do it: Fortunately, there are viable options available for protecting historic commercial corridors, including creating a Commercial Community Land Trust. While this option is more complex than most of the recommendations in this report, its ability to have a positive impact on preservation and affordability means it should at least merit consideration.

Community Land Trusts (CLTs) are usually created to provide affordable housing. PRIDE ([Phoenix Residential Investment Development Effort](#)) is a local example that focuses on affordable housing. [The Arizona Community Land Trust](#) addresses affordable housing as well, but also acquires community gardens and agricultural properties. But the basic CLT model can be applied to commercial property.

A Community Land Trust (CLT) acquires land and maintains long-term ownership. Commercial CLT structures can include lease models, ownership models, or other models, such as cooperatives or co-working spaces. With a lease model, the CLT owns both the land and building and leases both to commercial tenants. An ownership model allows tenants to purchase their commercial space through various mechanisms, such as a long-term ground lease or lease-to-own option. A ground lease typically includes provisions that restrict the building sale price so it remains affordable. In a cooperative structure, business owners buy shares that entitle them to partial ownership with variable stakes of a property. With a co-working model, members pay to use shared space provided by the CLT. (<https://antidisplacement.org/tool/community-land-trust/>)

An owner committed both to preserving historic buildings, but also affordable commercial rents could convey at or below market value commercial properties to a CCLT which could be either newly created or one of the existing organizations. Additionally, the City could acquire and reconvey to the CCLT properties at risk of demolition, properties in weaker neighborhoods, and foreclosed properties that lenders may be eager to dispose of during economic downturns. During the Great Recession, Phoenix acquired some 450 foreclosed residential properties as part of a comprehensive affordable and workforce housing initiative. If historic preservation, small business, and affordable commercial rents are policy priorities for the City, a Commercial Community Land Trust could be an effective way to address all three.

Resources & Examples:

- **The Crescent City Community Land Trust, New Orleans**
CCCLT expanded upon the traditional CLT model to include permanently affordable residential rental and commercial.
<https://www.cclt.org>
- **A number of cities around the country have assisted with the establishment of Commercial Community Land Trusts, including:**
Anchorage, AK: <https://anchorageclt.org>
Saint Paul, MN: <https://rondoclt.org>
Oakland, CA: <https://oakclt.org>
- For general discussion of CCLTs see article in [ShelterForce](#)

Enhance Protection of Commercial Corridors - Transferable Development Rights (TDR)

- ❖ **Challenge Addressed:** *Development pressure on smaller scale commercial districts*
- ❖ **Action Required:** *City Legislative, City Administrative*
- ❖ **Impact(s):** *Reduce development pressure on commercial corridors*
- ❖ **Complexity:** *High*
- ❖ **Cost:** *Medium*
- ❖ **Effectiveness:** *Medium*
- ❖ **Likely Acceptance by Stakeholders:** *Medium*

Another way to encourage the protection of undesignated, historic commercial corridors is through transferable development rights. TDRs allow property owners to benefit from developable space that they technically own by trading the right to develop on their parcels containing historic structures to another location that is better suited to higher density development.

How to do it: Many cities have created Transferable Development Rights (TDR) programs. Under a TDR there is an area designated for protection as a "sending area" and a "receiving area" where the enhanced rights (e.g., increased height, lot coverage, reduced parking) can be applied. There are around twenty-five cities in the US that have enacted historic-preservation-specific TDRs. While these have had mixed results, given the right parameters, a TDR for designated heritage properties along the historic corridors could be effective. The city already has a modified program in downtown Phoenix, which could be expanded along the prime arterials.

TDR PROGRAMS HAVE BEEN INSTITUTED THROUGHOUT THE COUNTRY FOR HISTORIC PRESERVATION WITH MIXED SUCCESS.

PlaceEconomics has reviewed nearly all of the preservation-based TDR programs. Those that are successful seem to share common characteristics:

- A strong real estate market with significant development pressures.
- "Receiving zones" that are not limited to properties abutting the sending property.
- Existing zoning that creates a supply of space that is less than demand, thereby creating a market for additional development rights.

Conversely, the vast majority of programs that have not been particularly successful are usually characterized by one or more of the following:

- Ample amounts of "by-right" development capacity.
- Other incentive programs are easier, faster, and/or cheaper to use, thereby reducing the value (and subsequent use) of the TDR program.
- Low market demand.
- Lack of understanding in the marketplace.

To make this work the City should look at publicly owned land as a receiving site for the enhanced development rights forfeited by the heritage properties. Additionally, the City should encourage new development on sites with surface parking lots and in one-story strip developments that are not historically significant. A list of identified vacant lots or non-heritage sites appropriate for redevelopment provided by the City would help developers select projects that do not threaten historic buildings. Directing development to vacant lots eliminates demolition costs and may streamline permitting processes. Above all, prioritizing the development of vacant lots or non-heritage sites would both accommodate development and promote the conservation of significant historic resources.

Resources & Examples:

- **Transfer of Development Rights enabling legislation, Arizona**

In 2020 the State of Arizona updated legislation authorizing Transferable Development Rights.

<https://law.justia.com/codes/arizona/2020/title-11/section-11-817/>

- **Transfer of Development Rights, Arlington, VA**

Arlington, Virginia, is experiencing strong growth and development pressure. Arlington has a TDR program for historic preservation and affordable housing with a specific receiving zone being a commercial corridor, Clarendon.

<https://arlingtonva.s3.amazonaws.com/wp-content/uploads/sites/31/2014/03/Clarendon-SectorPlan06.pdf>

- **Transfer of Development Rights, San Francisco, CA**

The City of San Francisco is one of the most successful preservation-based TDR ordinances.

https://sfplanning.org/sites/default/files/forms/TDREligibility_SupplementalApplication.pdf

Increase the Demolition Notification and Delay Time and Support Deconstruction Efforts

- ❖ **Challenges Addressed:** *The current thirty-day hold on demolition is not enough time to find alternatives; demolition debris in landfills.*
- ❖ **Action Required:** *City Legislative, City Administrative, HPO Administrative*
- ❖ **Impact(s):** *Deconstruction of eligible properties*
- ❖ **Complexity:** *Low*
- ❖ **Cost:** *Low*
- ❖ **Effectiveness:** *Medium*
- ❖ **Likely Acceptance by Stakeholders:** *Medium*

Stakeholders consistently indicated that the 30-day hold on demolition did not provide staff sufficient time to research and disseminate a recommendation of eligibility or allow advocates to identify options that might save the heritage structures. Providing earlier notice of proposed demolition and an increase in the delay for register-eligible properties may allow property owners and advocates more time to develop alternatives to demolition, which could include materials recycling via deconstruction.

**STAKEHOLDERS
CONSISTENTLY INDICATED
THAT THE 30-DAY
DEMOLITION HOLD IS
INSUFFICIENT.**

How to do it: Create a notification system to alert stakeholders when the 30-day hold for a property has begun. Change the demolition delay to 60 days for properties determined "eligible" for listing in the National Register-through comprehensive survey-or for contributing properties located within a National Register Historic District. The City should continue to pursue a deconstruction program, which can be coordinated with demolition review to incorporate deconstruction as a possible alternative. Any designated building should be deconstructed to the greatest extent possible.

Resources & Examples:

- **City of Portland Deconstruction Ordinance**
Portland, Oregon was the first city in the US to legally require deconstruction and recycling of building materials. Portland City Council adopted its deconstruction ordinance in 2016, which requires that projects meeting certain requirements and seeking demolition permits must be deconstructed rather than mechanically demolished. The ordinance was amended in 2019 to raise the year-built threshold from 1916 to 1940. Single family homes and duplexes are subject to the ordinance if they were built in 1940 or earlier, or if they are designated a historic resource.
<https://www.portland.gov/bps/climate-action/decon/deconstruction-requirements>
- **CALGreen Construction and Demolition Recycling**
In California, qualifying projects must recycle or salvage a minimum of 65% of nonhazardous construction and demolition waste or meet local standards if they are more stringent.
<https://calrecycle.ca.gov/lqcentral/library/canddmodel/instruction/newstructures/>

Simplify the State Property Tax Program for Income Producing Property Rehabilitation

- ❖ **Challenge Addressed:** *The commercial rehabilitation tax incentive is difficult to use and only works for large projects.*
- ❖ **Action Required:** *State legislation, County Assessor Administrative*
- ❖ **Impact(s):** *Reduce operating costs, encourage rehabilitation*
- ❖ **Complexity:** *Very High*
- ❖ **Cost:** *High*
- ❖ **Effectiveness:** *High*
- ❖ **Likely Acceptance by Stakeholders:** *Very high*

Arizona currently has a property tax incentive for both commercial and residential properties. The residential program seems to be working well, but the commercial version is not. As described by the State Historic Preservation Office,

THE STATE PROPERTY TAX PROGRAM FOR THE REHABILITATION OF INCOME PRODUCING PROPERTIES, AS STRUCTURED, DOES NOT ACHIEVE ITS GOAL OF ENCOURAGING ADDITIONAL COMMERCIAL REHABILITATION.

Upon entering the program, the County Assessor's Office will do an assessment of the property as is. Over the next 10 years, improvements are taxed at 1% instead of the normal commercial rate. Without a substantial amount of rehabilitation, this program will have little or no effect upon a building's property tax. As with the ITC program, all work must conform to the Secretary of the Interior's Standards for the Treatment of Historic Properties and be preapproved by SHPO. Unlike the ITC, properties must already be listed on the National Register of Historic Places in order to be admitted into the program.

Many states have similar programs, but the provision for "County Assessor's Office will do an assessment of the property as is...." adds an unnecessary complication.

How to do it: The County Assessor's Office assigns a "Full Cash Value" to every taxable property in the county. This number represents an approximation of the market value of the property. Based on formulas in state statute, a "Limited Value" is established. It is this Limited Value to which an assessment rate is applied, resulting in how much property tax is owed. When a property is rehabilitated, the assessor would typically reappraise the property for its new Full Cash Value and resulting Limited Value. To simplify the program, the ten-year reduced tax rate is simply applied to the difference between the "before rehabilitation" and "after rehabilitation" Limited Value. This is the approach that most states take when there is a property tax incentive for historic properties.

Resources & Examples:

- **Historic Preservation Special Tax Valuation, Seattle, WA**

In 1985, the Washington State Legislature passed a law allowing "special valuation" for certain historic properties. This "special valuation" revises the assessed value of a historic property, subtracting, for up to 10 years, those rehabilitation costs that are approved by the local review board. For the purposes of the Special Valuation of Property Act, the Seattle Landmarks Preservation Board acts as the Local Review Board. The primary benefit of the law is that, during the 10-year special valuation period, property taxes will not reflect substantial improvements made to the historic property.

<https://www.seattle.gov/neighborhoods/historic-preservation/preservation-incentives#stateandlocalincentives>

- **Bailey Bill, Columbia, SC**

The Bailey Bill was passed by the state legislature in 1992 to give local governments the option of granting property tax abatement to encourage the rehabilitation of historic properties. Following amended state legislation in 2004, Columbia's City Council also adopted a local amended version of the bill in July of 2007. If you invest a minimum of 20% of your building's assessed value back into the building, and the work is *eligible and approved*, then the assessed value of your property is abated for the next 20 years (i.e., the value of your property may increase over time, but you will continue to be taxed at the pre-rehabilitation assessed valuation for 20 years).

<https://planninganddevelopment.columbiasc.gov/historic-incentives/>

- **Mills Act, California**

Enacted at the state level in 1972, the Mills Act legislation grants participating local governments the authority to enter into contracts with owners of qualified historic properties who actively participate in the restoration and maintenance of their historic properties while receiving property tax relief. Each local government establishes their own criteria and determines how many contracts they will allow in their jurisdiction.

https://ohp.parks.ca.gov/?page_id=21412

THE EXISTENCE OF AN EFFECTIVE STATE HISTORIC TAX CREDIT CAN INCREASE USE OF THE FEDERAL HISTORIC TAX CREDIT BETWEEN 40-60%.

Develop a Stronger Demolition by Neglect Ordinance

- ❖ **Challenge Addressed:** *Demolition by neglect*
- ❖ **Action Required:** *City Legislative*
- ❖ **Impact(s):** *Reduce loss of historic properties*
- ❖ **Complexity:** *Very High*
- ❖ **Cost:** *High*
- ❖ **Effectiveness:** *High*
- ❖ **Likely Acceptance by Stakeholders:** *Medium*

Buildings that are not maintained and are left to the elements will eventually deteriorate to the point that they become a hazard and demolition becomes the only option. This is referred to as "demolition by neglect." Structures, commercial or residential, that have deteriorated to the point that their preservation is no longer possible, will need to be addressed, ideally before they reach that state.

How to do it: Rather than allow properties, commercial or residential, to reach a state where demolition is deemed the best choice, the City should develop a robust demolition by neglect ordinance. Under such an ordinance the City will have the option to direct the property owner to fix any public health and safety issues, or the City will do them and put a lien on the property.

When a property owner requests a demolition permit, there needs to be a city inspector to review the property to assess its status and to see if deconstruction should be required. Any City-mandated building removal should require deconstruction and materials recycling to the greatest extent possible.

Resources & Examples:

- **Knoxville, TN**
The City of Knoxville has an effective Demolition by Neglect ordinance, that includes the opportunity for citizens to suggest historic properties that may fit the demolition by neglect definitions to the City.
https://cdnsm5-hosted.civiclive.com/UserFiles/Servers/Server_109478/File/Neighborhoods/Resources/Demolition_by_Neglect.pdf
- **Preventing Demolition by Neglect: Strategies for Arizona**
A 2021 white paper by former Arizona Deputy SHPO Christopher Cody titled Preventing Demolition by Neglect: Strategies for Arizona explores options for addressing demolition by neglect, including demolition by neglect ordinances:
https://www.preservationmaryland.org/wp-content/uploads/2021/10/PreventingDemoByNeglectinAZ.CCODY__2021.pdf
- **"Demolition by Neglect: Where Are We Now,"** Rachel Ann Hildebrandt, master's thesis, University of Pennsylvania, 2012
https://repository.upenn.edu/cgi/viewcontent.cgi?article=1190&context=hp_theses

Increase the Penalty for Illegal Demolition and Alteration of Designated Properties

- ❖ **Challenge Addressed:** *Illegal demolitions and illegal alterations*
- ❖ **Action Required:** *City legislative, City administrative*
- ❖ **Impact(s):** *Reduce demolition*
- ❖ **Complexity:** *Low*
- ❖ **Cost:** *Medium*
- ❖ **Effectiveness:** *High*
- ❖ **Likely Acceptance by Stakeholders:** *High*

Like many other cities, Phoenix has an established process for reviewing and permitting the demolition of historic structures. While this is beneficial, there are instances in which owners either choose not to follow these procedures or are not aware that they exist. Ideally, a city's preservation ordinance includes unambiguous language regarding the consequences incurred by undertaking illegal demolition or demolition by neglect. However, the current penalties seem inadequate to meaningfully deter illegal demolition. In many cities, illegal and unpermitted demolition is a serious issue and modest fines and fees aren't a strong enough deterrent.

How to do it: Significantly increase the penalty for illegal demolition and alteration of designated properties. Currently, the fines and fees associated with unpermitted demolition in Phoenix vary depending on the building and permit type, but typically don't exceed \$10,000, with no stay on the issuance of new permits for a site where a structure has been illegally demolished. Other US cities have adopted much more stringent requirements including fines and stays or required rebuilding of unlawfully demolished historic buildings.

IN MANY CITIES, ILLEGAL AND UNPERMITTED DEMOLITION IS A SERIOUS ISSUE AND MODEST FINES AND FEES AREN'T A STRONG ENOUGH DETERRENT.

Resources & Examples:

- **Virginia § 15.2-819. Demolition of historic structures; civil penalty.**
Virginia law allows penalties up to the assessed value of the property for the illegal demolition of historic properties.
<https://law.lis.virginia.gov/vacode/title15.2/chapter8/section15.2-819/>
- **"Just Fine Rethinking penalties for illegal demolition in local historic districts," Preservation Resource Center, white paper.**
The Preservation Resource Center in New Orleans published a whitepaper on trends in illegal demolition ordinances. Among the strongest cited was Laguna Beach, California that can impose fines up to \$100,000 plus a five-year moratorium on any permits to develop the site.
<https://prcno.org/just-fine-rethinking-penalties-illegal-demolition-local-historic-districts/>

RECOMMENDATIONS TO IMPROVE EXISTING REGULATIONS AND PRESERVATION TOOLS

Better Promote the International Existing Building Code (IEBC)

- ❖ **Challenge Addressed:** *The IEBC and its potential impact for historic buildings is not widely understood.*
- ❖ **Action Required:** *City administrative, HPO administrative*
- ❖ **Impact(s):** *Simplify rehabilitation of historic structures*
- ❖ **Complexity:** *Low*
- ❖ **Cost:** *Low*
- ❖ **Effectiveness:** *High*
- ❖ **Likely Acceptance by Stakeholders:** *High*

Building codes are critical in protecting life and safety of building users. However, in many cities, as building materials have standardized, building codes are designed with new construction as the baseline. It can be extremely challenging to retrofit older buildings to meet modern codes because they simply don't recognize the properties of historic materials and construction methods. That does not mean that historic buildings are unsafe, but rather that standards of safety change over time. Codes need to remain relevant and easy to navigate, so they tend to favor current construction materials and methods. Fortunately, the International Existing Building Code (IEBC) was developed to address this issue.

In 2018, Phoenix adopted the International Existing Building Code. The IEBC encourages the use and reuse of existing buildings and gives greater flexibility to historic buildings. The intent is to allow the historic character of the building to remain while ensuring that life-safety and accessibility is provided to the maximum extent feasible. Section 12 of the IEBC specifically addresses historic buildings.

Many jurisdictions, including Phoenix, have adopted the IEBC in lieu of several existing building codes used in different areas of the country. In the past, codes for new construction, existing buildings, and historic buildings were combined, leaving little room for flexibility. In response, IBC is more "performance-based" in its approach, as opposed to "prescriptive," and evaluates each building on its individual merits. This allows greater cost savings and further protection of historic resources. Many states and localities are adopting individual rehabilitation sub-codes specific to historic buildings. Greater flexibility, cost savings and protection of historic resources are experienced in states with these codes. This is beneficial because IBC's section on historic buildings is more compatible with the Secretary of the Interior's Standards.

Resources & Examples

- A [straightforward explanation](#) of the International Existing Building Code was presented at the Pennsylvania Building Officials Conference in 2022 and includes numerous examples of the application of the IEBC to historic structures.

Train Building Inspectors in Historic Buildings

- ❖ **Challenge Addressed:** *It is not well known among inspectors that the International Existing Building Code exists and what it means for historic buildings.*
- ❖ **Action Required:** *City administrative*
- ❖ **Impact(s):** *Improve Information Environment*
- ❖ **Complexity:** *Medium*
- ❖ **Cost:** *Low*
- ❖ **Effectiveness:** *High*
- ❖ **Likely Acceptance by Stakeholders:** *Medium*

Often, there is a gap in the technical knowledge for building inspectors when it comes to heritage buildings. While the adoption of the International Existing Building Code (noted in the recommendation above) is an important step toward streamlining and supporting the rehabilitation of historic buildings, the code alone is only as effective as its implementation. If building inspectors are unfamiliar with the implications of the IEBC, specifically Chapter 12 on Historic Buildings, then the code cannot have its intended effect. It is important that building inspectors be knowledgeable on historic building systems, the IEBC's implications for existing and historic buildings, and empowered to apply the IEBC's code relief for historic buildings where appropriate.

How to do it: The City should establish a training program for building inspectors, zoning administrators, and area architects and builders on the 2018 International Existing Building Code (IEBC), especially Chapter 12, Historic Buildings. This would likely require a significant investment of time and resources to develop. Alternatively, the City could sponsor inspectors to take a training offered by an organization specializing in historic building inspection. The Historic Building Inspectors' Association (HBIA) provides resources for its members to improve and increase their knowledge of historic preservation. The City of Phoenix might engage the HBIA to provide training or a speaker session with one of their experts.

Resources & Examples:

- **Historic Building Inspectors' Association (HBIA)**
The Historic Building Inspectors' Association (HBIA) is a US-based membership organization for licensed building inspectors that provides resources for its members to improve and increase their knowledge of historic preservation.
<https://inspecthistoric.org/>

The Challenges of Site Plan Review in Older and Historic Properties

Site plan review is an important aspect of City oversight on development, but it can be very costly, especially when required for small projects or projects where only modest changes are being proposed. While site plan reviews can be valuable when there are boundary questions raised by a project, requiring new site surveys can add additional and possibly unnecessary expense when there may already be a recent survey on record.

Developers of historic buildings expressed frustration that any change of use triggers site plan review. Often a modest rehabilitation of a small historic building will trigger much more costly processes, like sidewalk review or replacing significant portions of pavement on the street. However, in PlaceEconomics' second round of interviews with stakeholders, several participants expressed hesitation about making exceptions to site plan review. Some stakeholders voiced concern that community members would feel site plan review exemptions would result in too little oversight over the development in their neighborhoods.

This topic requires further study. Therefore, PlaceEconomics is not proposing recommendations to provide site plan review relief. However, the City should devote time to explore this issue more fully.

The City's Adaptive Reuse Program could be a useful vehicle for these conversations to take place. The Program already offers personalized assistance with the development process, streamlined permitting, regulatory relief, incentives and waivers. Once an adaptive reuse project is submitted for review, an advocate is assigned to serve as the applicant's contact until project completion. This contact assists in coordinating with other city departments should any issues arise. These advocates understand the usual challenges that adaptive reuse projects face, including burdensome site plan review.

Boulder, Colorado has a provision for site plan review waivers. There, Site Plan Review (SPR) regulations allow a waiver for minor projects that are likely to have minimal impact from the full SPR process. According to the provision, "these projects are eligible for an expedited review called the "Site Plan Review Waiver (SPRW)," during which the SPR standards are analyzed in a shorter time frame (2 weeks)."

Adopt Standards for Historic Building Relocation

- ❖ **Challenge Addressed:** *If you move a listed building it loses its heritage designation and is no longer protected*
- ❖ **Action Required:** *HPO Administrative*
- ❖ **Impact(s):** *Facilitates moving historic structures as a last resort*
- ❖ **Complexity:** *Low*
- ❖ **Cost:** *Low*
- ❖ **Effectiveness:** *Medium*
- ❖ **Likely Acceptance by Stakeholders:** *Medium*

Moving a historic building is sometimes the only way to save that structure from demolition. Stakeholders expressed concern that, under current practice, when designated historic structures are moved they may lose their heritage designation, precluding access to tax credits and other preservation incentives, and may put the property at risk. It also puts the property at risk of placement in an inappropriate setting. While any building necessarily loses its historic context when it is relocated, there are steps that can be taken to ensure that the site chosen as the building's new location is appropriate. Considerations include the relationship of the building to its setting, the orientation of the building to the street, and the shape, mass, and scale of adjacent structures.

How to do it: The City of Phoenix should adopt standards for historic building relocation and a policy stating that when a designated property is relocated consistent with these standards, historic designation status should be maintained.

Resources & Examples:

- **"Moving Historic Buildings,"** John Obed Curtis, Technical Preservation Services, US Department of the Interior
<http://npshistory.com/publications/preservation/moving-hist-bldgs.pdf>
- **Policy Statement and Design Guidelines for Evaluating Historic Buildings, Newport, RI**
The City of Newport, Rhode Island has specifically included provisions in their design guidelines for the treatment of historic buildings that have to be moved.
<https://www.cityofnewport.com/CityOfNewport/media/City-Hall/Boards-Commissions/Commissions/Historic%20District%20Commission/HDC-Policy-Statement-Design-Guidelines-for-Elevating-Historic-Buildings-Jan-21-2020-APPROVED.pdf>

Modifications to Adaptive Reuse Program

- ❖ **Challenge Addressed:** *Costs required to receive adaptive reuse code benefits*
- ❖ **Action Required:** *City Administrative*
- ❖ **Impact(s):** *Increase use of Adaptive Reuse Program*
- ❖ **Complexity:** *Low*
- ❖ **Cost:** *High*
- ❖ **Effectiveness:** *Very High*
- ❖ **Likely Acceptance by Stakeholders:** *Very High*

Phoenix has adopted an Adaptive Reuse Program (ARP). Its specific intent is “to revitalize existing buildings to preserve our history, contribute to economic vitality by promoting small business, and create more vibrant neighborhoods.” The intent of the program is highly commendable. Unfortunately, it is not as effective as it could be, particularly for smaller older and historic buildings. The underperformance of the program was described by those who have used it or who have tried to use the ARP as a result of additional costs imposed on a property for compliance and infrastructure provisions. Having to comply with parking and water retention requirements, particularly on a small lot, is often simply not feasible. Additionally, a property owner attempting to use the ARP is frequently assessed for the costs of water and sewer line expansions disproportionate to the size of the structure.

How to do it: There will be significant costs to the City if these recommendations are adopted. But if “revitalizing existing buildings, preserving history, promoting small business, and creating vibrant neighborhoods” are truly worthy public policy goals, direct or indirect expenditures will be necessary. Changes to the Adaptive Reuse Ordinance should include: 1) waiving of requirements for parking, water retention, etc. 2) 100% of fees waived for designated historic properties; 3) 50% of fees waived for properties identified as eligible but not designated; 4) a proportional charge on water and sewer line expansions based on the size of the building.

Resources & Examples:

- **Adaptive Reuse Ordinance, Los Angeles**

The Adaptive Reuse Ordinance that has been most successful in bringing back to life not just older buildings, but entire neighborhoods, is the program in Los Angeles. It may be useful to compare the provisions of that program with the ARP in Phoenix to see if there are additional areas of program modification that would make adaptive reuse an even better alternative.

<https://www.ladbs.org/services/core-services/plan-check-permit/plan-check-permit-special-assistance/adaptive-reuse-projects>

Explore Historic District Designation Under Proposition 207

- ❖ **Challenge Addressed:** *Due to Proposition 207, historic district designation is nearly impossible in Arizona.*
- ❖ **Action Required:** *City Administrative*
- ❖ **Impact(s):** *Increase the number of protected structures in Phoenix.*
- ❖ **Complexity:** *Medium*
- ❖ **Cost:** *Medium*
- ❖ **Effectiveness:** *Very High*
- ❖ **Likely Acceptance by Stakeholders:** *High*

Since the 2006 passage of Arizona Proposition 207, also known as the Private Property Rights Protection Act, municipalities have been limited in their ability to designate new local historic districts. Proposition 207 requires local governments to compensate a private property owner if the value of a person's property is reduced by the enactment of a land use law, including historic designation. As a result, the basic tools for protecting historic assets used by virtually every other large city in America are severely limited. Property owners must either waive their entitlements voluntarily or be compensated for the reduction in value of their property. Compensation is an expensive option for local governments in many cases, and so municipalities have been justifiably hesitant to trigger Prop 207 by enacting new land use laws.

However, numerous studies across the country have demonstrated that historic designation does not have an adverse impact on property values. In fact, quite the opposite has been proven: property values in designated local historic districts increase at a greater rate than properties in the rest of the city. Historic district designation also has a stabilizing impact on property values in times of economic downturn--historic districts across the country saw their property values dip less and recover faster than properties in the rest of the city during the 2008 recession. In fact, the previous study on the impact of historic preservation in Phoenix completed in 2021 by PlaceEconomics found that not only do homes in historic districts have higher values per square foot than the rest of the city, but the rate of increase in value per square foot for houses in historic districts is greater than the rest of the Phoenix.

How to do it: The City of Phoenix should attempt to designate new neighborhoods as historic districts. There is nothing in the Prop 207 legislation that prevents the City of Phoenix or local partners from working with property owners to voluntarily waive their claims for diminution. If there is strong citizen desire for a historic district within a neighborhood, the City can work with the unwilling few to achieve a resolution. Alternatively, the City might opt to exempt property owners that object from the historic district entirely. A historic neighborhood with 75% protection is certainly better than forgoing designation altogether. As stated in the Act:

"Nothing in this section prohibits this State or any political subdivision of this State from reaching an agreement with a private property owner to waive a claim for diminution in value regarding any proposed action by this state or a political subdivision of this state or action requested by the property owner."



Moreover, property owners have a three-year window in which they can legally request compensation for a diminution in value because of a historic district 

*"An action for just compensation based on diminution in value must be made or forever barred within **three years** of the effective date of the land use law, or of the first date the reduction of the existing rights to use, divide, sell or possess property applies to the owner's parcel, whichever is later."*

Historic designation is an important tool that supports vibrant neighborhoods and economic development. In Phoenix, far fewer properties are designated than ought to be the case. Only 1% of Phoenix's land area is protected by historic districts. This is a disservice to the heritage of Phoenix, particularly from the Post-War era. Phoenix should explore designating historic districts again.



RECOMMENDATIONS ON PRESERVATION PROCESSES

PlaceEconomics was commissioned to conduct this analysis and make recommendations based on our experience in tools, strategies, and incentives for historic preservation. It will most likely be the staff of the Historic Preservation Office and the members of the Historic Preservation Commission who decide which of the recommendations that require only Historic Preservation Office administrative action should be implemented. It will also be the staff and Commissioners who decide which recommendations should be forwarded to the City Manager and the Council for their consideration. Whichever recommendations are ultimately implemented will no doubt add responsibilities to both staff and Commissioners.

Perhaps this is an opportunity to examine internally the policies and procedures that guide the actions of the staff and Commissioners. This could entail both a review of roles and responsibilities of staff positions, but also how the Commission conducts its business. Issues such as term lengths and lengths, qualifications of Commissioners, and attendance requirements might require changes to City ordinances. Other issues such as setting the agenda, use of meeting times for which there is no business to conduct, etc. can be decided at the commission level. Because PlaceEconomics claims no expertise in the operation of Historic Preservation Commissions, we have no specific recommendations on the above issues, other than to suggest that it is useful to periodically review practices and procedures of any such both.

Training for Commissioners

With both the increased complexity of the issues coming before the commission and the legal liability that a public commission bears, it is important that long-time commissioners—but particularly those new to the body—are well trained in the issues, procedures, and policies that the position entails. The most effective focused training for preservation commissioners is provided by the National Alliance of Preservation Commissions through their Commission Assistance and Mentoring Program (CAMP) workshops. Attendance at a CAMP training should be mandatory for new commission Members and encouraged among longer term members.


It may also be useful to prepare a handbook/guidebook for Historic Preservation Commissioners. An example of an excellent and comprehensive handbook was prepared for preservation commissions in Connecticut.

The members of the Phoenix Historic Preservation Commission devote considerable unpaid time to protect and enhance the city's wealth of heritage resources. They deserve to be as well informed and prepared as possible.

Resources & Examples:

- **Commission Assistance & Mentorship Program, National Alliance of Preservation Commissions**
<https://www.napcommissions.org/camp>
- **Handbook for Historic District Commissions and Historic Property Commissions in Connecticut**
<http://lhdct.org/documents/Handbook%20for%20Historic%20District%20Commissions%20in%20CT.pdf>

CONCLUSIONS

For a young city, Phoenix has demonstrated a strong commitment to historic preservation. Despite the constraints imposed by Proposition 207, Phoenix has made effective use of the tools available to protect and enhance its historic resources, and the inclusion of funding for preservation in the  proposed bond funding reflects an ongoing commitment. The recommendations contained in this report should not be read as a critique of existing efforts or tools, but rather a menu of possibilities to expand the role that historic buildings could play in the economic, social, environmental, and cultural life of the Phoenix.

There is one final recommendation that cannot be enacted by the City of Phoenix. It is included here, however, to encourage the readers and users of this report to take action to encourage the Arizona Legislature to pass and the Governor to sign a bill creating the Arizona Historic Preservation Tax Credit. Some 35 States have historic tax credits and are being effectively used to attract investment into heritage buildings. Almost every one of the recommendations above would work better if they were accompanied with an effective state historic tax credit.

The adoption of a state historic tax credit and the implementation of the recommendations above can help in continuing preservation efforts in the Phoenix Style.



ACKNOWLEDGEMENTS

We would like to acknowledge all the stakeholders that contributed their experiences, ideas, and feedback to this process. Their input was invaluable.

Samantha Keating, Deputy Director, City of Phoenix Housing Department

Cindy Stotler, Housing Director, Phoenix IDA

Spencer Self, Director, City of Phoenix Neighborhood Services Department

Kevin Weight, Principal Planner, City of Phoenix Historic Preservation Office

Sherry Rampy, Realtor, Former City of Phoenix Historic Preservation Commission Chair

Dan Klocke, Development Project Manager, Gorman & Company, Former City of Phoenix Historic Preservation Commission Chair

GG George, President, Phoenix Historic Neighborhoods Coalition

Ashley Harder, President, Harder Development, Board Member, Preserve Phoenix

Robert Warnicke, Attorney, Warnicke Law and Vice President, Phoenix Historic Neighborhoods Coalition

Donna Reiner, Board Member, Preserve Phoenix and Arizona Preservation Foundation

Robert Graham, Historic Architect

Debra W. Stark, Phoenix City Councilwoman

Grady Gammage, Jr., Attorney, Gammage and Burnham

Michelle Dodds, Retired City of Phoenix Historic Preservation Officer

Laura Pastor, Phoenix City Councilwoman

Jim McPherson, President, Arizona Preservation Foundation

Kathryn Leonard, Arizona State Historic Preservation Officer

Lorenzo Perez, Cofounder, Venue Projects

Kevin Rille, President, KLMN Properties

Chuckie Duff, Farnam Equus

TOOLS STRATEGIES
POLICIES INCENTIVES
for Historic Preservation in
PHOENIX

COMPLETED BY PLACEECONOMICS FOR THE CITY OF PHOENIX | DECEMBER 2023



City of Phoenix



PlaceEconomics