

## National Register Historic District Designations Tax Incentives and Other Benefits

National Register Historic District designation does not negatively impact housing development or property values. As a matter of fact, designation significantly benefits property owners, renters, and businesses alike, offering a balance of preservation and economic advantages.

Far from blocking housing, National Register designation encourages responsible development, preserves cultural heritage, and fosters economic growth—ensuring long-term stability and prosperity for all who live, work and own properties in these unique neighborhoods.

To dispel misconceptions or misinformation it is important to know that **National Register Historic District designation DOES NOT**:

- Restrict in any way a property owner's ability to alter, manage or dispose of a property
- Require that properties be maintained, repaired, or restored
- Affect your property insurance in any way
- Require public access to private property
- Increase property taxes or assessments
- Change current local laws regarding condominium conversions

These districts support economic stability and community development through a host of available tax incentives and other benefits:

### Federal Tax Incentives:

- **Federal Historic Tax Credit (HTC):** Owners of income-producing properties can benefit from federal tax credits of up to 20% for qualifying restoration projects. These incentives make preserving historic properties financially viable.  
<https://www.nps.gov/articles/000/8-things-you-might-not-know-about-the-federal-historic-tax-credit.htm>

The Federal Historic Tax Credit (HTC) program has rehabilitated over [300,000 housing units across the country](#) and created more than 350,000 new ones, with over 200,000 identified as affordable (low/moderate-income housing). The program also supports the rehabilitation of middle-income households.

- **Low-Income Housing Tax Credit (LIHTC)** The Federal Historic Tax Credit (HTC) often is used in conjunction with the Low-Income Housing Tax Credit (LIHTC) for developing affordable housing projects. <https://www.treasurer.ca.gov/ctcac/tax.asp>

## State and Local Tax Incentives:

- **A New California Rehabilitation Tax Credit** provides tax credits to support the rehabilitation of qualifying public and residential historic resources, including contributors to a National Register Historic District. [https://ohp.parks.ca.gov/?page\\_id=31717](https://ohp.parks.ca.gov/?page_id=31717)
- **The State Historic Building Code** can be used by owners of historically designated properties for maintaining and adaptively reusing historic buildings by allowing the use of alternative, more flexible, building regulations for permitting repairs, alterations and additions. [https://ohp.parks.ca.gov/?page\\_id=21410](https://ohp.parks.ca.gov/?page_id=21410)
- **Local Property Tax Benefits:** The City of San Francisco offers property tax reductions under the Mills Act program to properties listed on the National Register of Historic Places, allowing property owners to reduce their property taxes by as much as 50% annually if they invest in preserving and upgrading their historic buildings. <https://sfplanning.org/news/tax-breaks-historic-homes-mills-act-2023-application-cycle-open-now>

## Other Benefits:

- **Market Stability:** Properties in historic districts tend to maintain their value better during economic downturns, offering a more stable investment for both property owners and businesses. <https://momainstreet.org/the-economic-benefits-of-historic-preservation/>
- **Business Growth, Stability and Tourism:** Businesses in historic districts benefit from increased tourism, foot traffic and customers. The historic designation can also offer businesses access to grants for building improvements, preserving the area's charm and ensuring long-term stability which is why the proposed district is supported by the North Beach Business Association, the Chinese Chamber of Commerce and dozens of local businesses. <https://www.usnews.com/news/best-states/articles/2017-11-22/preserving-history-boosts-local-economies>
- **Financial Support for Maintenance:** Local and state preservation grants help property owners cover the costs of maintaining and restoring historic buildings, ensuring that these properties remain viable and valuable for years to come.
- **Enhanced Community Investments:** Historic district designations attract private and public investments in local infrastructure, parks, and amenities, further increasing property values and improving the quality of life for residents and renters.
- **Neighborhood Pride – Celebrating our cultural and architectural history:** The rich heritage and culture of North Beach includes the contributions of the Italian Americans largely responsible for the rapid rebuilding of the neighborhood following the 1906 Earthquake and Fire. North Beach is also significant for its association with the Chinese community, and for its historical connection to Bohemian and Beat poets and writers, and the City's earliest LGBTQ establishments. The significance of the architecture of North Beach, including the work of well-known architects, is also acknowledged.