REPORT II

INCENTIVES, TOOLS, AND STRATEGIES ASSESSMENT

AN EVALUATION OF PRESERVATION INCENTIVES FOR MIAMI-DADE COUNTY

2018 | Created for the Miami-Dade Board of County Commissioners

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WHY PRESERVATION INCENTIVES ARE **GOOD PUBLIC POLICY**

Incentives are but one tool in a wider range of approaches to conserving our built heritage, but they deserve particular attention. Public policy that imposes regulation and property limitations without the balance of incentives can sometimes discourage necessary investment. Moreover, preservation incentives are often the linchpin that makes a preservation investment financially viable.

In real estate terms, “Cost” is the sum that will have to be spent from the conception to the completion of the project. “Value,” in financial terms, is what the marketplace is willing to pay in rent or purchase price for that restored building. Where Value exceeds Cost, the marketplace will support the project, and incentives may not be necessary. Yet when Cost exceeds Value, as is often the case with historic buildings, a gap exists. The primary purpose of incentives is to close this gap—to make an irrational economic act rational.

Beyond making a purely financial argument, preservation incentives are good public policy because they promote a public good. Historic buildings have values beyond just financial. These values can be aesthetic, social, environmental, educational, cultural, etc., and they are enjoyed by a larger group of beneficiaries than just the property owner. Therefore, preservation incentives can be considered not only the provision of a public good, but also as partial payment for the values that the public—not the property owner—receives as a result of the property owner’s investment.

ASSESSMENT OF CURRENT CONDITIONS **AND APPROACH TO ANALYSIS**

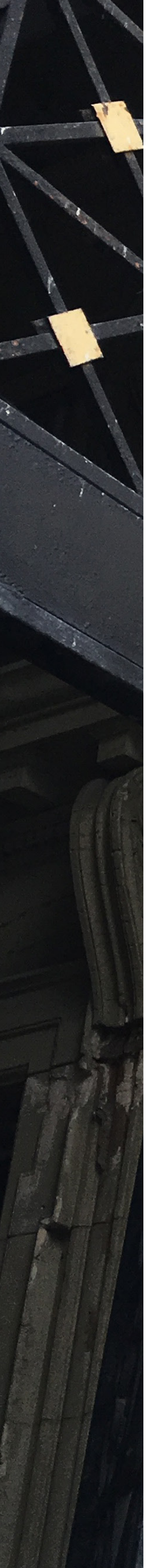
The current conditions of real estate in Miami-Dade County present unique circumstances in developing historic preservation incentives. In the past 50 years, Miami-Dade County has experienced dramatic growth and development.

Historic designations cover only 1 percent of properties within the urban development boundary.
Nearly 50 percent of all properties in the county are reaching 50 years old, the typical age when a building might be considered for historic designation, if other attributes warrant.

In 2015, the County Mayor convened an advisory work group to provide recommendations on how the historic preservation program could be improved in Miami-Dade County. Among other things, the work group recommended that the County identify and evaluate ways to economically incentivize historic preservation. To that end, the Board of County Commissioners, under Resolution #R-1050-16, authorized this study with the aim of assessing the feasibility of implementing additional incentives.

To undertake this assignment, the following steps were undertaken:

- Interviews and discussions with Miami-Dade County preservation and planning staff.
- Review of ordinances, planning documents, articles in both the popular press and academic journals relevant to the assignment, maps of both National Register and local historic districts, and other germane materials.
- Site visits to all local historic districts in Miami-Dade County, including those under the jurisdiction of the Miami-Dade County Historic Preservation Board, and those within municipalities having their own preservation commissions
- Mapping of historic districts and collecting relevant data using GIS systems.
- Individual interviews and small focus groups with a variety of stakeholders, including property owners, preservation advocates, tourism officials, real estate developers, land use attorneys, preservation officers and planning staff from municipalities, and others.
- National research on historic preservation incentives in general, and Transferable Development Right programs in particular.
- Preparing and submitting a draft report for review by appropriate Miami-Dade County staff.
- Revision of draft report based on staff comments and additional research and submission of subsequent document.



It is critical to understand the framing of this report. The research above was gathered from throughout Miami-Dade County, including independent municipalities. Some of the findings apply throughout Miami-Dade County, some to individual towns and cities, some to the areas of Miami-Dade County that fall under the jurisdiction of the Miami-Dade County Historic Preservation Board. That includes the unincorporated portions of the county as well as the 24 municipalities that do not have their own historic preservation board or program.

So, while the context of the report is county-wide, the *recommendations* are limited to those that could be implemented by the Miami-Dade County Commission and to which independent municipalities that have their own preservation ordinance would not be subject.

RECOMMENDATION **FRAMEWORK**

The PlaceEconomics tool framework approaches the collection, evaluation, and recommendation of potential tools in the context of UNESCO's Historic Urban Landscape (HUL) protocol. Key to understanding the HUL is to consider planning for the natural landscape. That planning can never be about stasis – grass grows, leaves fall from shrubbery, rainfall varies, trees increase in size and then at some point die. The HUL recognizes that cities, too, are never in stasis...they grow, sometimes shrink, change, and evolve in numerous ways. So the management of the historic fabric within a city is not successful if approached from a "freeze in place" standpoint, but rather through, first, the identification of the heritage and then the appropriate management, protection, and enhancement of that fabric. The approach is described as follows:

> *UNESCO's approach to managing historic urban landscapes is holistic by integrating the goals of urban heritage conservation and those of social and economic development. This method sees urban heritage as a social, cultural and economic asset for the development of cities.*

and

> *The Historic Urban Landscape approach moves beyond the preservation of the physical environment and focuses on the entire human environment with all of its tangible and intangible qualities. It seeks to increase the sustainability of planning and design interventions by taking into account the existing built environment, intangible heritage, cultural diversity, socio-economic and environmental factors along with local community values.*

In the HUL framework, four categories of tools are identified:

Financial tools should be aimed at building capacities and supporting innovative income generating development, rooted in tradition. In addition to government and nonprofit funds, financial tools should be effectively employed to foster private investment at the local level. Micro-credit and other flexible financing to support local enterprise, as well as a variety of models of partnerships, are also central to making the historic urban landscape approach financially sustainable.

Examples include: grants, loans, loan guarantees, fee-waivers. It should be noted that fee-waivers need to be considered in context with statutory or other restrictions for said fees and may require reimbursement from other funds.

Regulatory systems should reflect local conditions and may include legislative and regulatory measures aimed at the preservation and management of the tangible and intangible attributes of the urban heritage, including their social, environmental and cultural values. Traditional and customary systems should be recognized and reinforced as necessary.

Examples include: building/zoning code flexibility, regulatory waivers, conditional use permits, TDRs.

Knowledge and planning tools help protect the integrity and authenticity of the attributes of urban heritage. They should also allow for the recognition of cultural significance and diversity, and provide for the monitoring and management of change to improve the quality of life and of urban space. These tools would include documentation and mapping of cultural and natural characteristics. Heritage, social, and environmental impact assessments should be used to support and facilitate decision-making processes within a framework of sustainable development.

Examples include: technical assistance, systematic surveying, building maintenance teams.

Community engagement tools should involve a diverse cross-section of stakeholders, and empower them to identify key values in their urban areas, develop visions that reflect their diversity, set goals, and agree on actions to safeguard their heritage and promote sustainable development. These tools, which constitute an integral part of urban governance dynamics, should facilitate intercultural dialogue by learning from communities about their histories, traditions, values, needs and aspirations, and by facilitating mediation and negotiation between groups with conflicting interests.

Examples include: a city community engagement office, community programs, community-led survey.

CRITERIA FOR RECOMMENDATIONS

The PlaceEconomics team met with a variety of stakeholder groups and county staff. Based on these meetings and an international inventory of best practices, each idea was scored on four criteria:

- The cost of implementing the idea
- The complexity of creating and managing the idea
- The effectiveness of the idea in advancing historic preservation and resilience
- The likelihood of the idea being accepted by various stakeholder groups

Additionally, it was noted whether each criterion could be implemented under existing law. Some recommendations are based off modifying existing programs to function more effectively.

TRANSFERABLE DEVELOPMENT **RIGHTS**

The use of Transferable Development Rights (TDRs) has long been touted as a potentially effective strategy to preserve historic resources. Because of the well-publicized use of TDRs in the City of Miami, and their subsequent rapid decline in use, the assignment to look at tools, strategies, and incentives specifically identified TDRs as a tool to evaluate.

While TDRs are not among the tools/incentives recommended for consideration, an analysis of their use was conducted and is discussed below.

Land ownership is commonly described as a bundle of separate rights—the right to occupy, the right to lease, the right to sell. Among those is the right to develop, or the right to build a structure on the parcel of land to the extent permitted by zoning and other land use limitations. These various rights, however, can sometimes be separated and possessed by different owners. For example, one may own a parcel under which there are extractable resources. The owner of that parcel might sell to another the "mineral rights," thereby transferring to that person the "ownership" of those minerals while maintaining the use of the surface land and all of the other rights that remain in the "bundle of rights." Likewise, an owner might transfer – for a limited time or permanently – the "air rights" over all or part of a property to a utility company to allow for power lines to be constructed.

Building on this understanding of "bundle of rights," the concept of TDRs was established. The basic idea was this: the owner of a property had, under local land-use law, the right to develop a property to a given level (as measured by height, floor area ratio, density of units or some other measure). To the extent that not all of that "development right" was being utilized, it could be transferred elsewhere. For example, a lot that was zoned for a ten-story building, but only had a four-story building in place, would have unused development rights of six stories. With a TDR ordinance, those rights could be sold and transferred to another site.

In most TDR ordinances there is a "sending zone," which is the designated area from which unused development right can be transferred, and a "receiving zone," the areas in which those acquired additional development rights can be used.

Cities and counties institute TDR programs to encourage the voluntary transfer of density and growth away from areas of natural or cultural significance. There are over 250 TDR programs in the nation that employ a wide range of transfer mechanisms for the protection of open space, groundwater, farmland, and historic landmarks.

Of the more than 250 TDR programs in the country, 23 have been identified that are specifically designed for the protection of historic buildings. These programs were more intensively evaluated for this study. Based on this analysis, very few of the existing historic preservation-oriented TDR programs work effectively.

Those that do 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 easier, faster, and/or cheaper to use reducing the value (and subsequent use) of the TDR program.
- Low market demand.
- Lack of understanding in the market place.

Programs in dense metropolises such as Los Angeles and New York experience success because market demand is extremely high. Yet, where the New York program is sometimes hindered by a special permitting process and limited transfer areas, the Los Angeles program benefits from a policy that imposes a baseline density that developers can only exceed through TDRs. Often in cities where the TDR program is ineffective, there are competing policies or programs that make TDRs unnecessary to achieve desired density, such as other bonus height programs or high zoning allowances. Such is the case in Nashville, Atlanta, and Dallas. In cities like New Orleans, where there is little market demand for added density, the TDR program goes unused.

A matrix of the 23 programs investigated is found in Appendix A. The primary reason that TDRs are not included in the list of recommendations is that: 1) current zoning in Miami-Dade County provides ample capacity for current demand; and 2) competing programs have demonstrably diminished the utility of the TDR program in the City of Miami.

RECOMMENDATIONS

On the following pages are a brief discussion of nine possible tools, strategies, and incentives. This report includes descriptions for and examples of the nine following tools:

1. Impact Fees
2. Mitigation Fund
3. Historic Districts as Affordable Housing Overlay
4. Loans/Grants for Retrofitting Historic Buildings
5. Public Awareness Campaign on Why Historic Preservation = Resiliency
6. Streamline Rehabilitation Projects
7. Improve Tax Abatement Program
8. Community Engagement Program
9. Establish Historic Preservation Fund

The advocacy and justification for any or all of these recommendations should not be limited to the benefits that a historic preservation strategy has for Miami-Dade County. Rather, they should be put in a larger context which recognizes preservation's impacts beyond just saving designated buildings. This should include the environmental, cultural, social, and economic benefits that often accrue to the community at large, not just the owners of individual historic properties.

1. Impact Fees

Impact fees pay for the cost of providing public services to a new development. Often these funds are channeled toward transit development or parks improvements.

Recommendation: The County should conduct an in-depth analysis on how a historic impact fee might be implemented, including how to establish the nexus of the impact of new development and historic preservation, and ways to quantify the impact.

Possible Models: San Mateo County, CA imposes an impact fee for housing preservation, and Denver, CO imposes an impact fee for affordable housing preservation.

Potential Obstacles: Not currently legal. Possible resistance from development community. Requires additional, in-depth study to determine legality and how to satisfy dual rational nexus test by quantifying the impact of any new development on historic preservation, showing rough proportionality between impact and fee, and demonstrating benefit to fee payer.

2. Mitigation Fund

Mitigation fees differ from impact fees in their focus on the environment, including the historic built environment. Further, while impact fees assume a general effect as a result of new development, Mitigation Funds are a way to compensate the community for the negative impact that a particular development activity may have on the environment or character of the community.

Recommendation: In addition to the standard fee for demolition permits and tipping fees for the disposal of the materials from demolition, an additional fee is levied when the property being demolished is locally designated as an individual historic site, in a local historic district, is within a National Register historic district, or is individually listed on the National Register of Historic Places. These fees could be place in a Historic Preservation Fund that could then be spent on a variety of historic preservation activities. These might include stabilizing historic buildings at risk, small grants to property owners, low interest loans, surveying potentially historic neighborhoods, or other activities that could balance the adverse impact of the loss of historic resources.

Possible Model: Under the National Historic Preservation Act, if federal monies are being spent (or more broadly, a federal undertaking) that has an adverse impact on historic properties, paying a mitigation fee is often the solution. The mitigation funds are usually spent in the same general area (i.e. same city or immediate region) on preservation activities that partially compensate for the adverse impact of the federal undertaking. An example at the federal level includes the efforts to implement positive train control, where a $10 million Cultural Resource Fund was established and distributed to 235 federally recognized tribes. The Seminole Tribe of Florida was one recipient where the funds were used to digitize historical maps. The city of Ontario, CA has a mitigation fee that is paid into the city's Historic Preservation Trust Fund.

Potential Obstacles: Few models at county or city level. Creation of a fund would require study to determine legality, challenge of negotiating an equitable payment in mitigation of the loss or adverse effect on the historic resource, is reasonably used for historic preservation purposes, among other legal requirements, and to determine appropriate procedure to implement.

3. Historic Districts as Affordable Housing Overlays

One of the under-recognized contributors to affordability is housing size. The older housing stock in Miami-Dade County is made up of modestly sized and densely built houses and other residential structures. Some of these areas are existing and potential historic districts. There is often a concern among both property owners and long-term tenants that historic designation will result in the loss of affordable housing and resident displacement. However, the protection of these historic resources through designation helps preserve these naturally-occuring affordable housing units. By layering incentives and designation, this tool meets the dual goals of affordable housing and historic preservation.

This tool would be implemented when designating new historic districts. Overlays may provide a package of incentives to property owners by using a "carrot not sticks" approach for those who opt to provide affordable housing, but does not penalize those who do not. This may include expedited review, fee waivers, density bonuses, reduction in parking requirements, etc. Different zones may be designated to encourage appropriate and respectful development.

Recommendation: Some newly designated local historic districts are simultaneously designated as Affordable Housing Overlay districts. In addition to the incentives mentioned above, these areas might receive priority status for affordable housing development (either rental or home ownership) by non-profit developers, be given priority in grants and low interest loans for projects that combine appropriate treatment of historic buildings with affordable housing provisions, and be eligible for other tools intended to encourage affordable housing.

Possible Models: Tiburon, CA; Alexandria, VA; Simsbury, CT. In Canada, Provincial Residential Rental Building Program (PRILL) provides grants for the renovation of historic buildings into housing in specific urban areas.

Potential Obstacles: Some owners of historic houses might resist district designation if it meant more affordable housing developments in the neighborhood. This strategy would require active collaboration between the County agencies responsible for affordable housing programs and those responsible for historic preservation. It is possible that if density bonuses were among the tools provided it would compete with other existing programs that provide a similar incentive.

4. Loans/Grants for Retrofitting Historic Buildings

There are currently programs at the Miami-Dade County Public Housing and Community Development Department that expend money on housing. This is funded, in part, with Community Development Block Grant (CDBG) money. When the property receiving funding is over 50 years of age, the State Historic Preservation Office reviews the projects to determine if there is any adverse effect. The existing program could either continue as is, or be merged with this proposal. A loan fund would address the modernization of systems and the efficiency of historic buildings, and encompass buildings either individually listed as landmarks, or contributing buildings in local historic districts. This could include upgrades to plumbing, mechanical systems, electricity, fiber optics, energy efficiency/resilience improvements. This might be funded with Community Development Block Grant (CDBG) or other funds and could be administered either through the Public Housing and Community Development Department or the Office of Historic Preservation. The map in Appendix B shows the boundaries of the current local historic districts as well as targeted areas for CDBG investment, Neighborhood Outreach Areas, and Neighborhood Revitalization Areas.

Recommendation: Establish retrofitting historic buildings loan fund.

Possible Models: Burlington, NC, Mesa, AZ. In Denmark, owners of listed properties are entitled to grants compensating them for maintenance and repair expenses beyond the "normal" costs associated with non-listed buildings. A building's rate of "decay per year" is used to calculate the value of its grant, ranging from 20-50 percent of the repair costs. The Danish government also offers special subsidies for the conservation of churches.

Potential Obstacles: Loan programs are always administratively intensive, and the program itself would need to be actively marketed to potential borrowers.

5. Public Awareness Campaign on Why Historic Preservation = Resiliency

The concept of resiliency is broadly recognized as important for the future of Miami-Dade County. The county's willingness to join the 100 Resilient Cities effort is evidence of its commitment to proactively address future impacts of climate change and other environmental challenges. What is less well understood is the direct role that protecting and continuing to use historic buildings has on these efforts, and that they can be a central component of a comprehensive resiliency strategy. This campaign could be accomplished through a series of planned events, poster campaigns, websites, documentaries, and newspaper articles. This would include a public input component, where citizens could give ideas or suggestions of how to incorporate heritage assets into a comprehensive resiliency strategy.

Recommendation: Establish a public awareness campaign.

Possible Model: In Hong Kong, a 2007 campaign for heritage conservation produced a series of online websites, guided tours, roving exhibitions, and public activities. This effort was part of a larger, holistic planning initiative to identify and celebrate the heritage assets that add value to Hong Kong.

Potential Obstacles: Public awareness campaigns are labor-intensive activities. With limited staff on the Miami-Dade County Historic Preservation Board, this activity might take away from time required to meet the current demands of the office. A funding source would need to be identified.

6. Streamline Rehabilitation Projects

There is a common sense principle regarding regulations that says, "Make doing the right thing easy and doing the wrong thing hard." If encouraging historic preservation is "doing this right thing" then doing it should be made as unburdensome as possible. This could include having a rehabilitation-specific window at the permit office and fast-tracking rehabilitation permits. The projects would first have to be approved either administratively, by the historic preservation board, or by having a dedicated staff person to expedite the review process.

Recommendation: The County should review existing processes to determine if and how an expedited process might be enacted. This may entail adding staff for that purpose as noted above.

Potential Obstacles: If a review of existing processes indicates that more staff are needed to provide reviews and approvals in a more streamlined fashion, there will be budget and administrative implications.

7. Improve Tax Abatement Program

Miami-Dade County has adopted an excellent tax abatement program, and several municipalities within the County have enacted parallel benefits as pertains to the city share of property tax revenues. Under it, the additional value added through the rehabilitation of a historic property is exempt from assessment for 10 years after approval. The program is good. However, property owners who have tried to use the program report a lengthy and time-consuming process of getting the exemption, which often delays receiving the benefits until long after the work is completed.

Recommendation: State law requires final approval of the work by a majority vote of the Board of County Commissioners or of the governing authority of the municipality. It is recommneded that the County administration continue to identify ways to streamline the process for applicants. If desired, the County can also request that the State law be amended to allow final approval by the presiding Historic Preservation Board, rather than the Board of County Commissioners.

Potential Obstacles: If desired, final approval granted by the Historic Preservation Board rather than the Board of County Commissioners requires a change in state law.

8. Community Engagement Program

Because of constraints on public budgets and limited staff, much of the initial work necessary for historic preservation – surveying and documenting what exists – is often done either reactively or not at all. Many cities are now attempting to proactively identify and document historically-significant resources using a variety of surveying techniques: crowd sourced surveys, photo-documented surveys, architectural history surveys, and surveys that involve volunteers in addition to paid professional surveyors. They then publicly highlight and celebrate the heritage uncovered through these programs.

Recommendation: Explore ways to utilize the alternative survey and documentation approaches listed above.

Possible Models: San Antonio, TX; Los Angeles, CA; and Denver, CO.

Potential Obstacles: While this citizen-based survey approach can be effective, it still requires considerable time and effort on the part of preservation staff. A funding source for additional staff would need to be identified.

9. Establish Historic Preservation Fund

Many of the above recommendations will require funding beyond what is likely to be received through the annual budgeting and appropriation process. There are also opportunities for additional proactive preservation activities for which no monies are currently available. In the recommendations below are listed several sources of potential funding for the Miami-Dade County Historic Preservation Fund.

Recommendation: Establish a county-wide historic preservation fund using a combination of sources as identified below:

- Revenues generated by Impact Fees (Recommendation 1)
- Revenues generated by Mitigation Fund (Recommendation 2)
- Allocation of CDBG funds currently allocated for repairs to houses more than 50 years old (Recommendation 4)
- Small amount of additional sales tax earmarked for the preservation fund. [1]
- Allocation of a percentage of the Art in Public Places funds.

Potential Obstacles: An earmarked portion of sales tax would likely require enabling legislation at the state level, followed by adoption by Miami-Dade County. Whenever funds are suggested to be reallocated from one use to another constituent groups using the current programs may likely object. There are administrative, legal, and staffing issues that would need to be addressed in establishing the Historic Preservation Fund, although the existing Art in Public Places may serve as a useful model.

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1 Louisville, Colorado has just renewed for another 10 years its long-standing sales tax levy specifically earmarked for historic preservation. The one-eighth of one percent (0.125 percent) amount was just approved for renewal by more than 60 percent of the voters. The eligible uses are: projects in historic districts; residential and commercial grants for historic properties including foundation repair, siding replacement, etc.; grants for new construction projects in historic districts; historic structure assessments; and acquisition of historic properties, public outreach, and administration. The Louisville tax generates more than $500,000 per year.

Evaluative Matrix of Recommendations

	Impact	Cost to County	Complexity	Acceptance by affected stake-holder groups	HUL Tool	Allowable under Current Law?
Impact Fees	Moderate to High	Low	Low	Low	Regulatory	May require change in state law
Mitigation Fund	Moderate to High	Low	Low	Low	Regulatory	May require change in state law
Historic Districts as Affordable Housing Over-lays	Moderate	Low	Moderate	Moderate	Regulatory	Yes
Loans for retro-fitting historic buildings	Moderate	Moderate to High	High	High	Financial	Yes
Public Aware-ness Campaign on Why Historic Preservation = Resiliency	Moderate	Moderate	Moderate	Moderate	Public Engagement	Yes
Streamline Rehabilitation Projects	Moderate	Moderate	Moderate	High	Regulatory	Yes
Improve Tax Abatement Program	High	Low	Moderate	High	Financial	Yes, requires change in state law
Community Engagement Program	Moderate	Moderate	High	Moderate	Public Engagement	Yes
Establish Historic Preser-vation Fund	Moderate to High	Pass-through	High	High	Financial	Some elements would require change in state law

APPENDICES

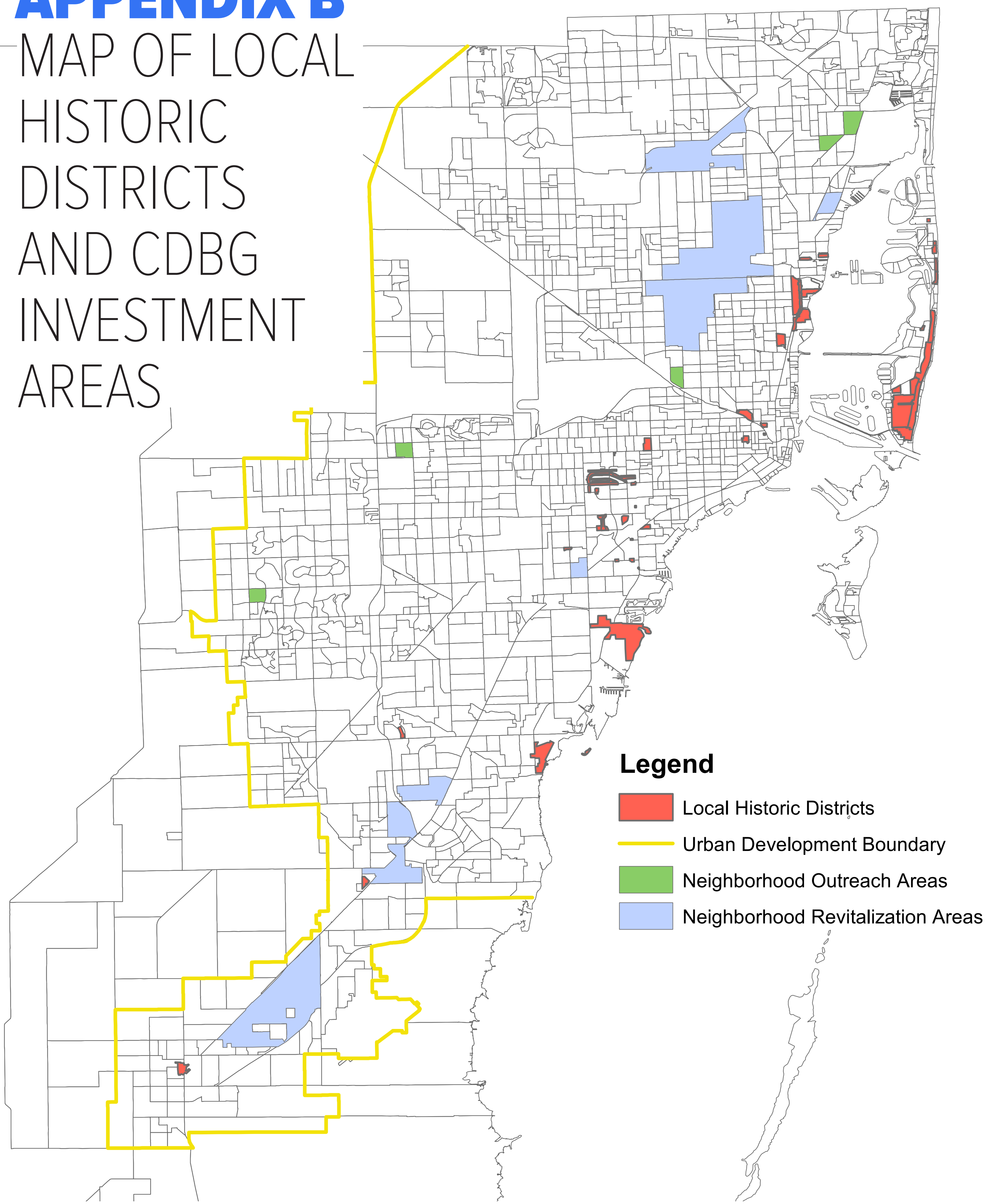
APPENDIX A
TDR MATRIX

City	Does it Work?	Why or Why not?
Aspen, Colorado	Yes	As of October 2014, 64 total TDRs and 24 have found receiving sites, with purchase prices ranging from $174-240,000. There is an interrelation of county and city TDR programs: the City ordinance allows Aspen TDRs to be transferred to Pitkin County receiving sites, should the County amend its code to allow such transfers.
Atlanta, Georgia	No	The city is hindered by the relatively high densities permitted by right under current zoning in Atlanta's Central Business District. The special permitting process is an added burden when allowances are already so high.
Coral Gables, Florida	Yes	It has been successfully used in the past, for example to increase the floor-to-area ratio for the Alhambra Towers development, but as the condo market in South Florida declines, there is less and less demand.[1]
Dallas, Texas	No	Allowances are already very high. There is already an existing bonus height program that competes with TDRs.
Iowa City, Iowa	No	There are few documented uses. There is low demand.
Ketchum, Idaho	No	There are zero uses.
Los Angeles, California	Yes	There is extremely high demand. The city imposes a baseline density that developers can only exceed through TDR.
Miami, Florida	Did work, now not effective	When this program was first established the amount paid to acquire TDRs was sufficiently high to make a substantial difference in the feasibility of major historic rehabilitation investment. Subsequent alternative programs providing development bonuses and increased density allowances have effectively ended the usability of the program.
Nashville, Tennessee	No	Allowances are already very high. There is already an existing bonus height program that competes with TDRs.

1 "Deflating Demand for Air Rights," *The Real Deal, South Florida Real Estate News,* https://therealdeal.com/miami/issues_articles/deflating-demand-for-air-rights/.

New York City, New York	Yes	There is extremely high demand. This has been successful despite special permitting process and limited transfer areas.
New Orleans, Louisiana	No	There is little demand and zero uses.
Oakland, California	No	Was originally unsuccessful because receiving sites were needed to abut sending sites. Base zoning can allow the floor area ratio (FAR) as 7:1 to potential receiving sites, typically more than developers need.
Palo Alto, California	No	There are few documented uses.
Pittsburgh, Pennsylvania	No	There are few documented uses.
San Diego, California	No	There are few documented uses. There is little public consensus regarding the goals of the program.
San Francisco, California	Yes	Requires TDR for almost all bonus development. Because many eligible sending site properties have relatively small amounts of transferable floor area, receiving site developers must often negotiate with several sending area property owners to assemble enough TDR to build their projects. There is a very active private broker market that helps the private market through the program.
Santa Barbara, California	No	Potential buyers and sellers of development rights must find one another and propose a simultaneous demolition/construction plan for two sites; this could generate a disincentive to use the program. The demand for additional development in Santa Barbara provides the owners of potential sending sites with an incentive to use TDR since they can recycle their properties to new, conforming structures and still sell the unused existing development rights. Likewise, potential receiving site owners are motivated to buy existing development rights in order to obtain approvals to develop within the City's annual growth limitations.

APPENDIX B
MAP OF LOCAL HISTORIC DISTRICTS AND CDBG INVESTMENT AREAS



Prepared by PlaceEconomics

PlaceEconomics is a private sector firm with over thirty years experience in the thorough and robust analysis of the economic impacts of historic preservation. We conduct studies, surveys, and workshops in cities and states across the country that are addressing issues of downtown, neighborhood, and commercial district revitalization and the reuse of historic buildings. We specialize in quality, defensible research, and present findings clearly and effectively in formats that can be understood by academics, economists, mayors, city council members, property owners, and local stakeholders alike.

MIAMI-DADE COUNTY

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