



# PRESERVATION MATTERS

## THE NEWSLETTER OF THE CALIFORNIA OFFICE OF HISTORIC PRESERVATION

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### To Whom Does Cultural Heritage Belong?

Milford Wayne Donaldson

California, with a population of 38 million plus, has the most diversity of cultures in the nation. It has a greater percentage of Asian, Pacific Islanders and Latino residents than any other state and the second-highest number of African Americans and American Indians of any state. We have 109 federally recognized tribes accounting for almost 20% nationwide and between 40 to 60 non-federally recognized tribes. We have the largest population of urban-centered California Indians who moved here during the Great Depression. Gay and lesbian families are part of the American landscape, and California has the highest number of gay couples.

American identity in the early 21st century is more diverse and multicultural than it was at the adoption of the National Historic Preservation Act in 1966. For the National Register of Historic Places and the California Register of Historical Resources to remain "people's registers," they must continue to evolve in order to be embraced by all communities.

Sometimes, the value of the registers as "people's registers" seems obvious: at the August 3rd meeting of the State Historical Resources Commission (SHRC), the Commission unanimously approved the El Centro Grocery and Maravilla Handball Court, located in East Los Angeles, for listing in the California Register of Historical Resources. Ten Maravilla Community members present stood to describe how the store, handball court, and activities that took place there provided an important focal point for early residents of the neighborhood. It was a social center, a safe place for children and adults to play, more so after Martin and Lucy Haro, owners in 1946, added the grocery. Even after Shigeru and Michiyo Nishiyama bought the property in 1971, the site remained a community gathering place. Community members want the listing to be the first step in restoring the grocery and handball court to its central role in their lives, so their children can enjoy the same sense of safety, of "place" that they enjoyed earlier.



**Martin Haro and his wife owned Maravilla Handball Court and built El Centro Market and living quarters in 1940s Los Angeles.**

There is an acute need to blend the labor-intensive scholarship of improved, contextualized nominations with a system that can respond positively when the people decide something is important. The official systems for determining what is important are still flexible and viable. Future efforts to determine what is important need to address the disconnect between theory and practice in some aspects of the preservation system, the role of the preservation profession in making these determinations, and the economic factors influencing the evaluation of culturally significant resources. Involving all cultures in the historic preservation process not only gives due respect to places of significance, but it furthers understanding, tolerance, and appreciation for the complex societies in which we live.

Although sources may differ, we define "culture" as the practices, expressions, knowledge, skills, and lifeways represented in places that communities of people recognize as part of their heritage, transmitted from generation to generation to provide a sense of identity and continuity. Our definition recognizes culture in the tangible heritage of monuments, sites, and other structures of the built environment, as well as the intangible heritage of oral traditions, performing arts and

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## To Whom Does Cultural Heritage Belong?

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storytelling, social and ritual practices. Preserve America (PA) communities in California such as Chinatown, Historic Filipinotown, Koreatown, Little Tokyo, and Thai Town in Los Angeles; Little Italy in San Diego, Japantown in San Francisco, and the Danish community of Solvang are but a few. Fresno, another PA community, is the third most diverse city in the U.S., with over 100 languages spoken in the area's public schools.

The 2006 Preserve America "Determining What's Important" and "Involving All Cultures" committees identified five categories of recommendations: **representation, criteria and integrity, intangible heritage, economics, and engaging professional experts and community.** Representation addresses the importance of acknowledging diverse resources representing the full complexity of America in the 21<sup>st</sup> century, and therefore expanding the means by which this heritage is recognized and protected. The National Register and California Register designation criteria and process are seen as daunting and inadequate to recognize the full range of resources. There is a need to rethink the seven aspects of integrity to reemphasize association, setting, and feeling; as well as the guidelines focusing on resources more than 50 years old, those associated with living persons, and traditional cultural properties.

Diverse cultures must be empowered to use the process, thereby facilitating recognition of their cultural resources. This will be achieved by including people of all cultures and backgrounds on boards and panels as participants in the process and by educating cultural groups on the preservation process and its benefits, and ensuring they have the means to attain protection and recognition for properties they deem significant.

Intangible heritage refers to such non-material cultural artifacts as rituals, dances, and specialized skills. Preservation should include place-based recognition of intangible heritage and expanded use of the traditional cultural property and traditional cultural landscapes categories. Though not officially part of this process, economics can have a profound influence in determining what is important. Because of the link between official listings and heritage tourism, it is important to acknowledge both the positive and negative effects that economic development through heritage tourism can have on cultural resources. Communication between professional experts and communities requires that experts go beyond their usual circles and use more accessible language to engage other potential partners in the processes and results of preservation.

The Preserve America discussions covered many areas of concern related to the above topics, including the role of professional experts, theory vs. practice, the recent past, the development of tribal registers, archaeology, the role of designations in everyday life, and traditional

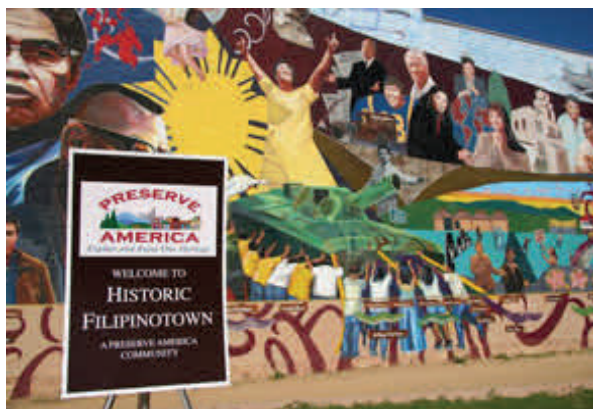
cultural properties.

The group was highly diverse in that it represented not only a number of historic preservation disciplines, but also included professionals at various levels of government and several cultural groups. Despite, or perhaps because of, this diversity of background, there was universal agreement that official recognition programs need to more accurately represent the American people as they exist in the 21<sup>st</sup> century and make changes so as to incorporate more types of historic places with greater ease and fewer barriers.

The role of determining what is important is incorporated into the preamble to the National Historic Preservation Act: *"...the increased knowledge of our historic resources, the establishment of better means of identifying and administering them, and the encouragement of their preservation will improve the planning and execution of Federal and federally-assisted projects and will assist economic growth and development..."*

In the decades that followed 1966, as government-sponsored surveys were undertaken, many new property types were incorporated. These included vernacular architecture, engineering structures, cultural landscapes, historic properties associated with cultural and ethnic groups, historical archeological properties, commercial archaeology, and many more.

Historic properties are comprised of a number of tangible components that help determine what is important. We need to ask the more relevant questions such as what is of value, what is significant, and what constitutes physical integrity for historic properties. In the 46 years since the passage of the 1966 National Historic Preservation Act and 77 years since the 1935 Historic Sites Act, the preservation field has accumulated a great deal of experience evaluating historic properties and knowing what has worked well.



**With the designation of Historic Filipinotown, all five Asian Pacific Islander ethnic neighborhoods in LA have become Preserve America communities**

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## To Whom Does Cultural Heritage Belong?

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### Idea 1: Representation

We acknowledge the importance of diverse resources representing the full complexity of America in the 21<sup>st</sup> century; therefore, we need to expand the means by which this heritage is recognized and protected.

A number of structural and social barriers to having a fully representative listing through official recognition methods were identified. These include the complex research requirements for a National Register nomination, the lengthy guidelines and bulletins necessary to interpret National Register criteria, and a pattern of disengagement between public preservation officials and minority communities.

One solution is to adjust the listing criteria to better address the dynamic nature of historic resources to take into account contextual difficulties in documenting vernacular and ethnic properties. Contextual statements and bibliographies should be made more accessible to the public in order to allow a wider variety of people to draw upon these resources. More encouragement for documentation of cultural landscapes and traditional cultural properties would also improve the diversity of representation in National Register listings.

More importantly, people involved in making decisions about their history, their places, and the future of their heritage should prepare criteria, be

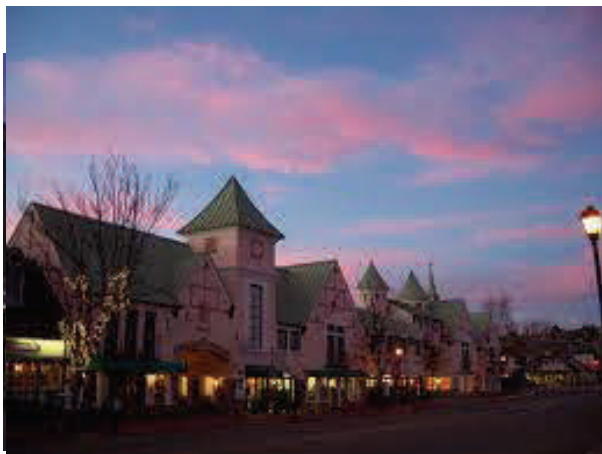


LA's Koreatown (Preserve America) is considered a neighborhood with "Seoul"

seated on review boards or commissions, and be fully integrated into the approval and submission process. Tribes do not need to be told about their heritage through ethnographic studies by well-meaning but removed archaeologists and/or historians.

### Idea 2: Intangible Heritage

We should recognize that there are other entities involved in the recording of non-material cultural heritage. We should be aware of these efforts and how we can utilize preservation to interpret this heritage in specific places. Places where cultural traditions



Solvang, "sunny fields" in Danish, became a Preserve America community in October, 2009

take place could be recognized through expanded use of traditional cultural property listings.

The definition of cultural resources should include the non-material as well as the physical environment. This "national treasure" concept recognizes that there are things within culture—storytelling, rituals, dances, skills, etc.—that should be preserved beyond buildings. Other organizations, such as the National Endowment for the Arts, the Library of Congress, and the Smithsonian Institution Folklife Festival, all potential partners, are actively involved in documenting intangible cultural heritage. Preservation organizations need to be more aware of these efforts and the importance of a complete cultural perspective when determining what is important about historic resources.

Another technique for telling broader stories about cultural values and intangible heritage is to link these concepts to a representative place, such as San Diego's Chicano Park Murals, soon to be nominated to the National Register after a Section 106 determination of eligibility. It is important to consider a broad understanding of space and geography when connecting place with a historic concept or theme.

### Idea 3: Criteria and Integrity

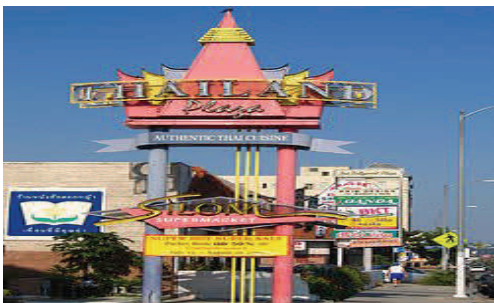
The National Register of Historic Places designation criteria and process are seen as daunting and inadequate to recognize the full range of resources. There is a need to rethink the seven aspects of integrity to address the dynamic evolution of many properties, as well as the guidelines specifying resources be more than 50 years old and policies that discourage listing properties associated with living architects, designers, or other persons.

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## To Whom Does Cultural Heritage Belong?

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A greater recognition of change over time needs to be utilized when applying the criteria and defining the period of significance. Significance statements should reflect layers of history and incorporate change over time into the story of a historic re-



**First Lady Laura Bush recognized Thai Town as a Preserve America community in July, 2008**

source, rather than viewing these changes as generally negative. For some cultural groups, the effect of change is not as important as memorializing the process of change.

Just preparing the necessary documentation can be a challenge for groups with limited resources. These registers could also be used to better inform the SHPO about tribal interests and priorities. For example, the Yurok tribe maintains the National Register listings within its tribal lands as well as a separate register of sacred sites.

Bringing a more dynamic understanding of change over time into the National Register criteria is closely linked to the analysis of the seven aspects of integrity—location, design, setting, materials, workmanship, feeling, association. Although basic standards are necessary, a strict interpretation of architectural integrity can exclude properties that still possess considerable historical significance. Design and workmanship tend to be weighted most heavily when evaluating integrity. Instead, association, setting, and feeling should be more strongly considered when evaluating integrity to incorporate a large variety of resources.

There is also a need for more flexibility in the 50-year rule and association with living persons guideline, which, as currently applied, amount to obstacles. Although National Register consideration G allows for listing properties less than 50 years of age of exceptional importance, many properties significant to underserved communities are lost before they reach that age. At the same time, longer life spans have made the policy restriction on

listing properties associated with living architects and designers problematic in many cases. Creative persons do not “retire” from their professions, unlike bureaucrats. The California Register does not impose such restrictions and, in fact, encourages submission of properties associated with living persons and less than 50 years of age.

### **Idea 4: Engaging Professional Experts and Community**

*Professional experts need to go beyond their usual circles and use more accessible language to engage the general public in the processes and effects of preservation.*

Communication among preservation stakeholders—experts as well as laymen—is hampered by a number of barriers at the local, state, and national levels. These barriers include language, knowledge of the process, and use of jargon. State review boards such as the California State Historical Resources Commission often demand more technical nominations, request unnecessary additional documentation and go well beyond the basic submittal requirements of the National Register.

There are a number of potential solutions, starting with being aware of the elitism inherent in current preservation practice. Public consultation early in the process would encourage more complete engagement with preservation projects. Easily accessible contextual statements and other professional research need to be made more readily available to members of the public preparing nominations.

A diverse approach to heritage education in elementary, middle, and high schools enhances a preservation sensibility and awareness of place. The concept of cultural landscapes is again useful here to encourage a more holistic and up-to-date approach to preservation throughout society. We need to not only reach out but also cease using language that implies that diverse cultures are somehow out of the mainstream of society. How do we include and acknowledge the value of all parts of the human community that makes up this state, indeed this country, without subtly and implicitly demanding conformity, uniformity, adherence to our standards, our values, our rules?

### **Idea 5: Economics and Law Making**

*We recognize the pervasive influence of economics in determining what is important, even if not officially part of the process. Because of the link between official listings and heritage tourism, it is important to acknowledge both the positive and negative effects that economic development through heritage tourism can have on cultural resources.*

Economic forces, such as the preservation tax credits, strongly influence which properties are considered for

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## News to Me: What's Happening at OHP

### Amanda Blosser on the Move!

State Historian II Amanda Blosser, who joined the Office of Historic Preservation in 2005 as part of the Review and Compliance Unit, has moved to the local Government Unit, where she will oversee the office's role in both the Main Street and Preserve America programs. In addition, she will provide public education and outreach for the CEQA program. And, as a consequence of her role on the State Plan Team, she has assumed the lead for OHP's social media activities. Unsurprisingly, Amanda has no spare time.

If you haven't had the pleasure of meeting her, Amanda is an articulate Texas native who received her bachelor's degree in Art History from the University of Texas in Austin and her master's in Architecture from Texas Tech. As her dentist dad served in the Air Force, she was an "Air Force Brat," whose family moved often during her childhood and adolescence, mostly in the South and Southwest, but also spent a year in Italy. Somewhere or other, she acquired the travel bug and joined family and friends in Italy and Croatia most recently.

When she isn't engaged in one of her new assignments at OHP, Amanda puts many hours of sweat equity into her 102 year-old bungalow in the Curtis Park neighborhood of Sacramento.

Yet another side of the multi-faceted Ms. Blosser is her interest in developing a statewide preservation program for young people. That, and her hands-on experience working on her own home, led to her to join an HistoriCorps preservation contractor, two HistoriCorps interns, volunteers from Passport in Time (PIT) a Forest Service volunteer program, and volunteers from AmeriCorps to work on a project to replace the roof of The



**Cedar Lodge (Gallatin House) as it was prepared to welcome volunteer workers**

Cedar Lodge near Susanville. Also known as the Gallatin House, Cedar Lodge was built in 1913 as a summer home for the Gallatins, a prominent Sacramento and San Francisco family. The family owned the Lodge for 31 years until it was acquired by the Lassen National Forest in 1946, which used the site for administrative purposes. In 1988, management of the site passed to the Ronald McDonald House Charities, which created Camp Ronald McDonald at Eagle Lake, a summer camp for chronically ill children.

Amanda and her team removed deteriorated cedar shingles, evaluated and repaired roof decks, then replaced shingles where necessary.

HistoriCorps is a preservation initiative modeled after community service programs like the Civilian Conservation Corps, Peace Corps, and AmeriCorps. Started in 2009, it is a public-private partnership between Colorado Preservation, Inc., the US Forest Service and Volunteers for Outdoor Colorado. Its mission is to save and sustain historic places for public benefit through partnerships that foster public involvement, engage volunteers and provide training and education.

For more information about HistoriCorps, visit their website at <http://historicorps.org/>

No stranger to volunteer assignments, shortly after Hurricane Katrina, Amanda joined a Habitat for Humanity team helping New Orleans residents as they strove to impose order amid chaos and restore devastated homes to habitability.

As Amanda completes the transition into her new position, we pause to thank and commend her, not only for her commitment and dedication to the mission of the Office of Historic Preservation, but also for putting her time and energy outside the office into the service of historic preservation. Bravo, Amanda!



**OHP Historian Amanda Blosser (second from left) with fellow volunteers preparing to replace the roof of the 99 year-old Cedar Lodge near Susanville**

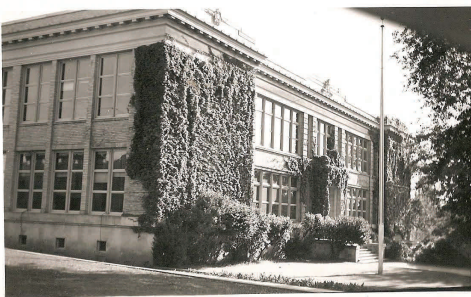
## New Listings in the National Register of Historic Places

### **Cabot's Old Indian Pueblo Museum Desert Hot Springs, Riverside County Listed March 2, 2012**



This complex of buildings in the town of Desert Hot Springs was constructed by Cabot Yerxa between 1913 and 1941. They represent a unique interpretation of the Pueblo Revival style and the work of a master craftsman and artisan using primarily salvaged material.

### **Auburn Grammar School Auburn, Placer County Listed March 12, 2012**



Built in 1915, this Beaux Arts grammar school was designed by San Francisco master architect William Henry Weeks and was considered a showcase of modern education, representing the most contemporary advances in school design and efficiency.



### **Howard-Ralston Eucalyptus Tree Rows Burlingame, San Mateo County Listed March 15, 2012**

Planted by famed landscape gardener John McLaren for property owners George H. Howard and William C. Ralston, these tree rows are associated with the founding of the cities of Burlingame and Hillsborough, California, and influenced Burlingame's sense of local history and development. They also express the importance of the El Camino Real.

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## New Listings in the National Register of Historic Places

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**Lorenz Hotel**  
**Redding, Shasta County**  
**Listed March 19, 2012**



Completed in 1902, the Beaux Arts/Italian Renaissance style **Lorenz Hotel** has served downtown Redding for over 100 years as a commercial and residential hotel. Well into the 20<sup>th</sup> century, the hotel provided modern accommodations to business travelers and salesmen, in addition to workers in the mining and dam building industries.

**Dr. Orville S. Ensign House**  
**Ontario, San Bernardino County**  
**Listed March 20, 2012**



This Stick/Eastlake house is one of the most elaborate and intact examples of Eastlake architecture in the city of Ontario, designed for Dr. Orville S. Ensign.

**Steel Development House Number 2**  
**Palm Springs, Riverside County**  
**Listed March 20, 2012**



Primarily composed of steel and glass on a concrete foundation with no structural wood, this 1962 house represents a unique synthesis of off-site prefabrication and on-site assembly. It also demonstrated the possibilities for rapidly-assembled and affordable homes for the middle class that were designed to withstand the harsh desert environment.

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## New Listings in the National Register of Historic Places

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### Fox Wilshire Theatre Beverly Hills, Los Angeles County Listed April 3, 2012



This Art Deco theatre in Beverly Hills, designed by S. Charles Lee, opened as a movie palace in 1930. Built at the end of the vaudeville era, with a full stage, orchestra pit, and fly loft, the venue was successfully converted for live performances in 1979, and now operates as the Saban Theatre.

### Martinez Downtown Post Office Martinez, Contra Costa County Listed May 8, 2012



Associated with the programs and policies of President Franklin Roosevelt's New Deal, the 1937 **Martinez Downtown Post Office** was nominated under the *U.S. Post Offices in California 1900-1941* Multiple Property Submission. It embodies the distinctive characteristics of Art Deco/Public Works Administration Moderne architecture, as designed by the U.S. Treasury Department's Office of the Supervising Architect during the Great Depression. "The Road to El Dorado," painted by Maynard Dixon and his wife, Edith Hamlin, was commissioned by the U.S. Treasury Department Section of Fine Arts.

### Ukiah Main Post Office Ukiah, Mendocino County Listed May 9, 2012



The 1937 **Ukiah Post Office** constituted the largest single federal public works project for inland Mendocino County in the 1930s. The U.S. Treasury Department adapted one of its standardized architectural concepts, creating a structure that exemplifies the Streamlined Moderne style—clean lines and simplicity arising from the modern and progressive self-image of the New Deal—and it also retains beautiful ornamentation that evokes both older architectural traditions and the pride that Americans felt for their public structures. The U.S. Treasury-sponsored lobby mural is "Resources of the Soil" by Ben Cunningham.

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## New Listing in the California Register of Historical Resources

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### Hardin Schoolhouse Pope Valley, St. Helena Vicinity, Napa County Designated May 3, 2012



Constructed in 1875, the **Hardin Schoolhouse** is significant for its association with the development of rural public education in Napa County and California. Hardin Schoolhouse is the last one-room schoolhouse of five constructed in the Pope Valley.

## New California Points of Historical Interest

### Fourteen Mile House Citrus Heights, Sacramento County Designated May 29, 2012



**Fourteen Mile House** is the last of the many early inns built to serve the freight wagons along the Auburn Road, constructed circa 1849, with an accompanying tank house. After commercial traffic on the roadway decreased with the completion of the Central Pacific Railroad, the house became a single family residence, and was remodeled in the Craftsman style in 1919.

### O'Neill Surf Shop (site of) Santa Cruz, Santa Cruz County Designated May 30, 2012



**Site of Jack O'Neill's Surf Shop.** O'Neill was first to create and market neoprene wetsuits that made it possible for surfers to extend their time in the cool waters off Santa Cruz. In the process, he changed the sport of surfing. The opening of O'Neill's shop allowed Santa Cruz surfers to purchase wetsuits locally.

## Local Government: Necessity, the Mother of Invention

Lucinda Woodward

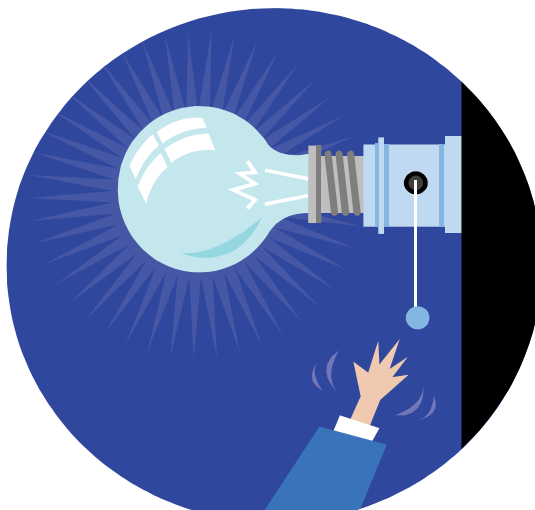
As we are painfully aware, tough economic times require hard choices. Hard choices, which may force us to rethink our priorities, can also force us to find new ways to solve old problems. Even in the best of economic times, shaking loose funds for historic preservation is a tough sell in many communities. There is one HUD program, however, that can address general community improvements and assist historic preservation efforts at the same time. All it takes is communication, coordination, and creative thinking.

The Community Development Block Grant (CDBG) Program is administered by the U. S. Department of Housing and Urban Development (HUD). Although it is a federal program that must conform to certain national HUD objectives, the allocation of the money within the community is at the discretion of local officials. Local governments use these annual direct grants from HUD to shape local programs that meet important objectives in community development.

The program is not a historic preservation program. Its broad mission is to foster community development and to benefit low and moderate income persons, but it can fund particular activities that enhance and support historic preservation.

Community members and local officials who wish to make the most of CDBG grants will find a number of ways to link historic preservation to other community development and revitalization objectives. Historic preservation activities usually concentrate on rehabilitation, preservation, and restoration of public or privately owned properties. However, preservation activities may also be coordinated with new construction as well as with economic development, energy conservation, infrastructure improvements and other objectives in a community's CDBG program.

The challenge for historic preservationists is to find which department administers the CDBG program in your community. In many local governments, CDBG funds are administered by departments with names like "Community Development," "Economic Development," or "Housing Authority." This can be a challenge for those working in historic preservation, since many historic preservation programs and staff are located in planning departments. It is often a matter of the left hand knowing what the right hand is doing.



All CDBG funded activities, including those related to historic preservation, must meet at least one of the national objectives for the program:

- Benefit low and moderate-income persons
- Prevent or eliminate slums or blight
- Meet an urgent community development need

Within those overarching national objectives, HUD has outlined the kinds of activities that are eligible for CDBG funds. While Historic Preservation is one of the specified activities, there are a number of other eligible activities that can be used to benefit historic preservation.

Here are some of the eligible CDBG activities which may support historic preservation:

### Planning

- Preparation of historic preservation elements of general plans
- Historic and archeological surveys of CDBG project areas
- Data collection, studies, analysis and the preparation of plans and implementing measures including budgets, codes, and ordinances
- Delineation of historic districts, including reuse plans and the preparation of ordinances and codes to assure preservation of the districts

### Historic Preservation

- Rehabilitation, preservation or restoration of historic property (This is the basic authorization for preservation but does not limit the scope of other activities which may include or support preservation.)

## Necessity, the Mother of Invention

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### Engineering and Design Costs

- Feasibility studies to assess the condition of structures, including historic properties
- Design improvements to the façade of structures, including historic buildings
- Removal of architectural barriers in older buildings, including historic buildings

### Consultant Services

- Obtain professional assistance for program planning, including historic preservation

### Acquisition

- Acquisition of properties, including historic properties, by a public agency or private not-for-profit entity
- Acquisition by purchase, lease, donation, or otherwise, of real property, including easements and façade easements

### Clearance Activities

- Moving a historic structure from a project site
- Clearing incompatible structures from a historic site

### Property Rehabilitation

- Includes privately owned residential buildings and improvements limited to façade and code requirements
- Publicly owned residential buildings
- Publicly owned nonresidential buildings
- Energy system improvements

### Removal of Architectural Barriers

### Payment of the non-Federal Match Required in Connection with a Federal Grant-in-Aid Program

- CDBG funds may be used as match for grants required for Federal grant-in-aid programs, including the federal Certified Local Government program administered by the Office of Historic Preservation.



**San Luis Obispo's Carnegie Library made good use of CDBG funds**

Here in California, the City of San Luis Obispo used CDBG funding for design, construction and project administration for seismic strengthening and historic rehabilitation of their historic Carnegie Library, a property listed on the National Register of Historic Places. This project met HUD's national objective to remove blight (because the building did not meet pertinent building codes for safety and Americans for Disability Act access) and the city-owned property was required to retrofit under city ordinance.



**Vallejo used CDBG funds to adaptively reuse its masonic temple as a live-work project**

Similarly, the City of Vallejo has allocated \$400,000 of CDBG funds for construction and preparation of plans for the rehabilitation of the city's Masonic Temple into Temple Arts Lofts, a live-work project. Property owners have also applied for the 20% federal historic preservation tax credits. Vallejo also provided \$80,000 for the installation of solar panels and repairs to an industrial building in the Mare Island Historic District.

In Fresno, CDBG funds are used to support the historic preservation staff position within the city's Development and Resource Management Department. In return, the Historic Preservation Project Manager prepares Section 106 evaluations for all of the city's HUD-funded projects.

Santa Cruz has used CDBG funds to rehabilitate houses in historic neighborhoods, which also benefited low to moderate income persons. Riverside has funded surveys of the historic Eastside and Casa Blanca neighborhoods.

To determine whether your community receives CDBG funds and to find out which programs are assisted by CDBG funds, or to influence how CDBG funds are allocated in your community, contact your local planning department, economic

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## Necessity, the Mother of Invention

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development department, community development department, or housing authority.

Online publications are available from HUD including *Historic Preservation in Housing and Community Development: Linking Historic Preservation to Community Development Block Grant Objectives* (1991) at [https://www.historicpreservation.gov/c/document\\_library/get\\_file?uuid=1fa28aa0-a67c-4d5b-b27b-3cbbc3dd1ebc&groupId=14502](https://www.historicpreservation.gov/c/document_library/get_file?uuid=1fa28aa0-a67c-4d5b-b27b-3cbbc3dd1ebc&groupId=14502), and *Community Development Block Grant Program: Preserving America* (2004) at <http://portal.hud.gov/hudportal/documents/huddoc/>



Riverside funded a survey of the Historic Eastside Neighborhood with CDBG Funds

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## To Whom Does Cultural Heritage Belong?

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listing. In California, over 40 percent of National Register listings are driven by economic factors, mostly tax incentive projects. Twenty-eight states and some cities tie statewide and local tax credit programs to listing, as does California's Mills Act. Such jurisdictions generally have the strongest preservation programs.

Often economic values and preservation laws, or the perceptions surrounding these values, trump cultural values when they come into conflict. Sometimes concerns arise that listing places of significance might adversely impact traditional or historic uses. This concern tends to center around economic values, land access issues, and which use, historic or traditional, is most important. Another problem is laws that rely on the scientific point of view for findings rather than the cultural point of view. If a culture deems this place important to them, through feeling, association and setting, is it appropriate that we ask them to prove it through the use of words such as unique, significant, integrity, contribution, importance, consequential, or, my favorite, "substantial evidence?" If these cultural practices or beliefs are important to maintain the continuing cultural identity of the community, wouldn't they know best?

A values-centered preservation model indicates that a variety of factors influence every preservation decision, making a multi-disciplinary and holistic understanding of our cultural motivations essential to the successful growth of preservation. In fact, I caution the California State Historical Resources Commission not to consider economic or political issues when deliberating on National Register applications. It is also important to recognize that listing, particularly if leading to heritage tourism, can have positive or negative impacts, depending on the community.

During the past 46 years, the historic preservation field has made major strides in broadening the definition of what is important and worthy of preservation at the local, state, and national levels, and has, in large measure, fulfilled a major objective of the National Historic Preservation Act. But the character of the nation has changed dramatically since the mid-1960s. Official recognition programs need to examine their criteria, integrity requirements, processes, guidance, and public outreach so that a greater number of ethnic and cultural groups will be represented. The Preserve America communities in California represent these values well.

For more information about the Preserve America communities in California, see <http://preserveamerica.gov/pacommunities.html#c>

## Tax Incentives: Recap of 2012 Green California Summit & Exposition

Mark Huck

This year's Green California Summit and Exposition was held at the Sacramento Convention Center April 26-27. It is hosted annually by Green Technology, a non-profit initiative designed to inform those in the private sector who are developing and distributing green technologies about government efforts toward sustainability and to provide a forum in which government officials can communicate with the private sector.

My motivation to attend the Summit was to learn how government is encouraging existing and historic building energy efficiency/weatherization and how the private sector is responding. Fortunately, one whole track was devoted to financial strategies to fund existing and historic energy retrofits. Much of the track focused on the **Property Assessed Clean Energy (PACE)** program and state agencies supporting financial programs promoting energy efficiency. The following is my report on the sessions I attended.

This year's Summit was smaller than last year's, as evidenced by the keynote addresses held in paired classrooms as opposed to part of the exhibit hall last year. The exposition of products appeared smaller than last year too, though well-stocked with innovative products.

### General Session

The Keynote addresses this year began with Kevin Johnson, Mayor of Sacramento, who spoke briefly about the Kings Basketball franchise, uppermost in Sacramentans' minds in April.

Secretary Matt Rodriquez, California Environmental Protection Agency (EPA), who represented Governor Brown for the morning, discussed Governor Brown's Executive Order B-18-12, which seeks to improve the energy efficiency of half of all state-owned buildings by 2025, despite occupants' efforts to thwart this. The Department of General Services (DGS) is charged with the details. The Secretary closed by referring to the Exhibit Hall as evidence of California's "environment of investment."

Yvonne Hunter, Program Director of the Institute for Local Government, the research arm of the League of California Cities, showcased the Beacon Awards Program that spotlights cities' accomplishments on the way to realizing AB 32's goals.

Dan Adler, President of the California Clean Energy Fund (CalCEF), an independent nonprofit founded in 2004 to advance clean energy using tools from finance, public policy and technological innovation, was the next keynote speaker. Dan described CalCEF as a "Green Bank" meeting environmental objectives. Dan covered



carbon auctions, cap and trade, long-term contracts with utilities and other ways to create funding from common assets, using as a point of reference the book "Who Owns the Sky?" by Peter Barnes, which explores these topics. The CalCEF Green Bank can facilitate all these transactions.

Jared Blumenfeld, EPA's Regional Administrator, stated that nine of the top ten dirty cities are in California. The new focus is on transportation, on which we rely for shipping goods and moving people. Our policies and incentives should move us toward more efficient and better ways to transport goods and people.

### Funding Energy Projects—PACE Programs

The first presentation of the first session featured speakers representing programs around the state who discussed the status of their programs and results to date.

- **Barbara Spoonhour**, Program Manager of the Western Riverside Council of Governments (WRCOG) Energy Upgrade California's PACE Program, discussed how WRCOG is implementing the nation's largest regional Energy Efficiency and Water Conservation Program. This allows owners of residential and business property to install energy efficient and water conservation improvements at low interest financed over time through property tax. They have leveraged \$325 million targeting 200,000 properties. To qualify for a loan, there must be 10% equity currently in the property. The loan average is \$15,000 for residences and \$180,000 for businesses. First lien lenders need to consent to accept the loans. Fannie Mae is still reluctant to grant residential approval, with a 61% approval rate. Information on this program can be found at [www.beariversideHERO.com](http://www.beariversideHERO.com).

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- **Diane Leski**, Assistant Program Manager of the Sonoma County Energy Independence Program talked about Sonoma County's residential PACE program. So far, 1,612 properties have participated with loan amounts averaging \$28,000. Appliances involved in the energy retrofits must be Energy Star, Title 24 and WaterSense compliant. Before solar panels can be installed, all other loading orders must be observed, which includes air sealing, insulation and installation of efficient HVAC systems, lighting and appliances. Now there is also a 100% rebate for testing energy performance after the upgrade as well as initial testing. Prospects for long-term funding are not good. More information on the Sonoma County PACE program may be found at [www.energyupgradesonoma.org](http://www.energyupgradesonoma.org).
- **Kimberly Hawley**, C.P.A., Chief Deputy Treasurer of ImPOWER Placer, updated the PACE program in Placer County. The PACE program there is non-residential only, and is land-secured financing based on the value of the property. Though primary lenders express concern about defaults, the fact is that the average loan default rate is 8-10%, while defaults on PACE programs are averaging 1.1%.
- **Rich Chien**, of Green Finance SF, City and County of San Francisco Department of Environment, discussed how the San Francisco PACE model uses Mello-Roos legislation instead of AB 811. The program has a \$150 million bond capacity. San Francisco's program is similar to others in that loading order requirements must be met, and they too must get permission from the lenders to add debt. Rich suggested that the benchmarking software program Portfolio Manager from Energy Star works for residences, and recommends it as a tool. Information on San Francisco's program can be found at [www.greenfinancesf.org](http://www.greenfinancesf.org) and Energy Star's benchmarking tool Portfolio Manager can be found at [http://www.energystar.gov/index.cfm?c=evaluate\\_performance.bus\\_portfoliomanager](http://www.energystar.gov/index.cfm?c=evaluate_performance.bus_portfoliomanager).

The second presentation, entitled **Issues and Innovations of Green Finance**, offered a road map for implementing PACE financing models. Key stakeholders are reluctant to embrace PACE due to confusion over the various models, so evaluating risk is difficult. One such risk is that a refinancing requirement adds additional interest. Five Star Bank is one of the few banks that works well with the program. There, the loan is secured through the contractor, who also provides surety and underwriting.

Lawsuits challenging the Federal Housing Finance Agency (FHFA) to deny purchases of mortgages with first-lien

PACE obligations were mentioned in passing. A federal court in California ordered FHFA to proceed with a notice and comment process to adopt guidance for mortgages impacted by the PACE process and, while FHFA is complying, it is also appealing that decision. In Congress, HR 2599 "PACE Assessment Protection Act of 2011" seeks to prevent Fannie Mae, Freddie Mac, and other mortgage regulators from adopting policies that contravene established state and local PACE laws.

The third presentation discussed how PACE financing models enable municipalities to attain energy and job creation goals without assuming financial risk. The principles that facilitate this are: 1) a standardized program that creates volume for the bond market; 2) projects ready for financing; and 3) a system that works effectively with the banks.

Ygrene Energy Fund has developed a program for both commercial property owners and state/city officials. Ygrene's funding model allows government officials to address waste in older commercial buildings using private financing to fund energy efficiency retrofit projects. Ygrene has also committed to fund \$100 million in energy efficiency upgrades within 12 months as part of President Obama's Better Buildings Challenge.

The City of Sacramento was selected by Richard Branson's Carbon War Room to be a recipient of investment dollars. It has selected Ygrene as its program provider after it put PACE in place. The program will launch in March, preceded by workshops to teach local contractors how to apply and access available funds.

### Energy Efficiency in Existing Buildings

The second session had a presentation of interest on energy efficiency and existing buildings. Energy benchmarking in facility management causes reduction in energy consumption. Energy management and demand reduction can reduce both operational costs and the carbon footprint.

There are, however, challenges to measuring, monitoring and benchmarking energy consumption in facilities. These challenges rest mostly with the tools used to benchmark energy performance. One of the best-known programs is the federal EPA's ENERGY STAR program, a free internet-based tool for determining baseline energy use in buildings. A drawback of the ENERGY STAR program is that currently it can rate only fifteen commercial building types, leaving many facility types, such as manufacturing, convention centers, airports, and many others, without a consistent way to benchmark energy performance.

California does have a benchmarking policy. AB 1103 requires commercial buildings to be energy benchmarked

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when sold, but no one is enforcing this requirement. The Energy Utilization Index (EUI), is a measurement tool derived from the total energy consumption divided by square feet, and provides a way to compare and contrast energy efficiency across different building types; however, there is no weather-normalized data and no use factors to make for a more exact comparison.

EPA's Portfolio Manager is a rating for commercial buildings that can also be adapted for residences. It includes consideration of water consumption, but just records the information.

In addition, the International Facilities Management Association Foundation recently announced the release of "Carbon Footprint," a free publication in the "Sustainability 'How-to' Guide Series" offering facility managers a comprehensive approach to understanding greenhouse gas emission benchmarking, reporting and minimization.

### State Assistance for Energy Efficiency

A third session of interest was entitled "State Assistance for Energy Efficiency Financing in the Residential Sector." Three state agencies are working to reduce barriers to greater energy efficiency by providing consumers access to low cost capital: the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA), the California Energy Commission (CEC) and the California Public Utilities Commission (CPUC).

#### CAEATFA

CAEATFA has \$25 million to establish incentives such as a loan loss reserve and a PACE Bond Reserve Fund. CAEATFA is developing a loan loss reserve program to help financial institutions making loans to qualified borrowers to finance the installation of distributed generation renewable energy sources, or energy and water efficiency improvements in homes or small commercial properties. Loan Loss Reserve funding, in effect, guarantees the loans that banks make for energy efficiency against default, which encourages banks to make these loans. Financing is difficult; CAEATFA is focusing on credit enhancements and ways to lower borrowing costs through loan loss reserves, interest rate reductions, and senior subordinate loans.

There are 8.4 million single family units in California; 5.8 million units are targeted for energy retrofit at an average loan cost of \$7,200 per home. Twenty percent of that goal is estimated to be completed by 2015, with 40% completed by 2020.

ABX1 14, passed on August 2, 2011, gives \$25 million to CAEATFA. Two phases are planned to support funding: first, a loan loss program and second, an RFI to obtain ideas on

alternate financing. The Phase 1 loan loss program requires a contractor to be licensed and BPI certified. The lender's loan loss reserve is lowered to 10% when the loan volume equals \$250,000 or more. In May, 2012 regulations were enacted and are available on the website here: [www.treasurer.ca.gov/caeatfa/abx1\\_14/reserve.asp](http://www.treasurer.ca.gov/caeatfa/abx1_14/reserve.asp).

For residences of three units or fewer, qualified loan recipients would need: 1) an energy assessment; 2) plan for an estimated 10% energy savings and 3) compliance with the loading order (discussed above as air sealing, insulation, efficient HVAC systems, appliances and lighting). Successful loan recipients will achieve a minimum 10% improvement over the measured building efficiency baseline or a HERS score of at least 85. One hundred on the HERS scale represents the score of a new standard home and 0 represents a net zero home.

For more information on CAEATFA in general, visit their website at [www.treasurer.ca.gov/caeatfa](http://www.treasurer.ca.gov/caeatfa).

#### California Energy Commission (CEC)

When PACE programs were halted across the nation in July of 2010, the CEC quickly re-structured its ARRA financing solicitation and committed millions of dollars of federal stimulus funding to pilot innovative local government financing strategies across the state.

The ARRA was initially funded at \$226 million for the state energy program and distributed using city and county energy efficiency and conservation block grants and the Better Buildings Program from the Department of Energy. Local government financing pilot programs were encouraged, using the below-rate financing mechanisms of the CHF of 0-3% for moderate-income, single-family properties. Phase 1 consists of infrastructure development, Phase 2 includes market development, and Phase 3 develops statewide ratings and upgrade requirements. Over 1,052 projects were completed, expending \$23,817,648.

Then the FHFA objected to the PACE model of loaning money and several of the pilot programs were placed on hold. Sonoma County continued to run its program, which has resulted in 1,072 upgrades valued at \$56.2 million to date.

Program administration is working on Phase 2, which includes an interest rate buy-down, offering a 5% Loan Loss Reserve through Matador Credit Union down to 2%. The program is currently receiving 20-50 applications per month

The CEC is currently implementing AB 758 ([Chapter 470, Statutes of 2009](#)), which requires the Energy Commission to develop and implement a comprehensive program to achieve greater energy savings in the State of California's existing residential and nonresidential building stock. The Energy Commission has been conducting regulatory proceedings to establish the program, titled the "Comprehensive Energy Efficiency Pro-

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gram for Existing Residential and Nonresidential Buildings.” The program is comprised of a complimentary portfolio of techniques, applications, and practices designed to achieve greater energy efficiency in existing residential and nonresidential structures, especially those structures that fall significantly below the efficiency required by the current California Building Energy Efficiency Standards (Title 24, Part 6 of the California Code of Regulations). Proposed program strategies include:

- Energy assessments
- Building benchmarking
- Building energy use ratings and labels
- Cost-effective energy efficiency improvements
- Public and private sector energy efficiency financing
- Public outreach and education
- Green workforce training

Public comments have recently been concluded, so look for revisions shortly. Check out the website at [www.energy.ca.gov/ab758](http://www.energy.ca.gov/ab758).

### CPUC

The California Public Utilities Commission (CPUC) is composed of five Commissioners appointed by the

Governor. It oversees more than \$5 billion per year in energy efficiency programs, \$1 billion of which is generated by fees on utility bills.

In 2013- 2014, the large utilities in California will likely launch a \$100 million program for energy efficiency loans for all types of customers. For residential customers, the CPUC is directing the utilities to create loan programs with credit enhancements for both single family and multifamily customers. Credit enhancements differ from loans in that more people have access to funding as opposed to a bank loan, and the debt is attached to the property.

More information on CPUC and its programs can be found here: <http://www.cpuc.ca.gov/puc/>.

### **Conclusion**

Next year at this time we will know more about the success of these regional programs, and perhaps new programs developed as lawsuits surrounding the FHFA are resolved. We can all look forward to expanded financial incentives to drive the energy retrofit of existing and historic buildings and thereby meet our goals of reducing greenhouse gases and increasing our indoor comfort for less.





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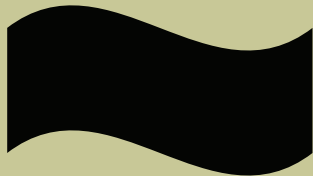
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This publication is available in alternate format upon request.



The mission of the **Office of Historic Preservation** and the **State Historical Resources Commission** is to provide leadership and promote the preservation of California's irreplaceable and diverse cultural heritage.

To fulfill our mission we:

- \* Partner with local, state, federal, and tribal agencies, non-profit organizations, and the general public to help ensure cultural resources are appreciated and maintained as a matter of public interest and community pride;
- \* Carry out mandated responsibilities and administer programs under federal and state historic preservation laws.
- \* Promote a comprehensive preservation planning approach and urge the integration of historic preservation with broader land use planning efforts and decisions;
- \* Offer technical assistance and preservation training in order to create a better understanding of the programs OHP administers;
- \* Support sustainability and adaptive reuse of historic resources in ways that preserve historic character and provide economic benefits;
- \* Maintain the statewide Historical Resources Inventory and make available information about the state's historical and archaeological resources; and,
- \* Encourage recognition of the vital legacy of cultural, educational, recreational, aesthetic, economic, social and environmental benefits of historic preservation for the enrichment of present and future generations.

## Upcoming Events in Historic Preservation

The **American Decorative Arts Forum (ADAF)** is a support group of the Fine Arts Museums of San Francisco dedicated to the study, understanding, enjoyment and preservation of American fine and decorative arts from their beginnings to the present. The Forum sponsors monthly lectures by scholars on various topics. On **Tuesday, August 14, 2012**, **Kathleen Foster of the Philadelphia Museum of Art** will speak on **Thomas Chambers, American Marine and Landscape Painter**. Time is 8:00 in Koret Auditorium of the de Young Museum in San Francisco. Lectures are free to ADAF members and \$15 for non-members.

**San Francisco Architectural Heritage's 2012 Lecture Series** steps outside the boundaries of traditional preservation discussions to explore murals, modernism, forgotten neighborhoods, and culturally significant resources. *Engaging Preservation Changemakers* includes a diverse lineup of topics, speakers, venues, and co-sponsors. Tickets are \$8 for members and \$12 for the general public. Lectures start at 6 pm with doors opening at 5:30. On **Thursday, August 16, 2012** the subject is **These Walls Can Speak: Telling the Stories of Queer Places** to be held at the GLBT History Museum, 4127 18th Street, San Francisco. To buy tickets, go to [http://www.sfheritage.org/upcoming\\_events/lecture-series/](http://www.sfheritage.org/upcoming_events/lecture-series/)

The **California Preservation Foundation (CPF)**, in partnership with **San Francisco Architectural Heritage & Presidio Trust**, is offering a workshop entitled **Historic and Cultural Resources: Part of the Environmental Checklist September 12, 2012**, from 9:00 am-4:30 pm in San Francisco. Focus is the use and understanding of the California Environmental Quality Act (CEQA). For more information and to register, go to <http://www.californiapreservation.org/education.html>

The **California Preservation Foundation (CPF)**, in partnership with the **Berkeley Architectural Heritage Association** and the **City of Berkeley**, invites you to the last of the three-part Berkeley Community Historic Preservation lectures series on Preservation Incentives on **Tuesday, September 25, 2012** at 7:00 pm, location TBA. Presentations are FREE to the public. For more information, check the websites of the sponsoring organizations.

You're too late to pay early bird prices to register for this year's **National Preservation Conference**, but there's still time. For Californians, the conference, whose theme is **Beyond Boundaries**, will entail much less traveling, as it will be held in **Spokane, Washington from October 31 through November 3, 2012**.