



Preservation in Philadelphia

Executive Summary

Philadelphia is one of the world's most historic cities. Most well-known are the blocks around Independence Hall. But Philadelphia's history extends far beyond Center City. Buildings, blocks and neighborhoods around the city reflect more than 300 years of history.

Our history is recognized around the nation and around the world. The National Trust for Historic Preservation has named the "Historic Neighborhoods of Philadelphia" a National Treasure. Philadelphia is also the only World Heritage City in the United States.

These places and their stories add to a sense of place and create neighborhood pride. Reusing structures – rather than building new – is more sustainable.

There is also an economic benefit. Since the 1970s, nearly \$4 billion has been spent on restoring historic properties in Philadelphia. This spending creates jobs, provides new commercial services and produces tax revenue.

Our history also helped attract more than 42 million visitors to Philadelphia in 2016. The tourism industry had an \$11 billion economic impact on the Philadelphia region.

However, those historic resources face challenges.

Development pressure is growing on older buildings and neighborhoods. Residents and groups with limited resources struggle to maintain properties. Not every neighborhood shares in the economic benefit. Many property owners are fearful of historic designation. Capacity of City government is limited.

In May 2017 Mayor Jim Kenney created the Historic Preservation Task Force to meet these challenges. The Mayor appointed 33 members who represent community, business, advocacy, and government points of view.

The Task Force is examining Philadelphia's current historic preservation structure and recommending potential improvements.

An early task was to document current conditions. The result of that review is this white paper.

The federal government designates historic resources through the National Register of Historic Places and the National Historic Landmark program. In Philadelphia about 494 resources and 72 districts are recognized through one of these programs.

The National Register offers two main benefits. Funding for rehabilitation of privately owned properties is available through tax credits. In addition, projects using federal funds must review the effect on listed properties before they can proceed.

The strongest protection for historic resources is through designation on the Philadelphia Register of Historic Places. Alterations to properties on the Register must be approved by the Philadelphia Historical Commission (PHC) before they can be made. Any demolition of a property on the Philadelphia Register must be first approved by the PHC.

The PHC also designates buildings, structures, sites, objects, and districts for inclusion on the local Register. Properties may be added where an important event occurred or an important person lived. Sites can also be added that are examples of Philadelphia's heritage, architectural significance, or other reasons.

Philadelphia currently has 10,835 designated historic properties. These properties include over 23,000 addresses. Most of these properties are in Center City and nearby neighborhoods. Other properties tend to be in Northwest, North, West and South Philadelphia. Northeast Philadelphia has the fewest designated properties.

Philadelphia also has 16 historic districts. All the properties in these districts also receive protection from alteration by the PHC.

A hurdle for the PHC is the sheer number of permits it must consider. In 2016, it processed more than 2,000 permits. This was more than double the number in 2000. The increase in permit reviews has made it harder for the PHC to proactively research and designate properties.

Other City agencies play a role in historic preservation. The City Planning Commission considers historic preservation in its plans. The Department of Licenses and Inspections is responsible for enforcing the zoning and building codes, including the Historic Preservation Code.

To review issues facing historic resources in Philadelphia, the Task Force created four subcommittees. So far, the subcommittees have identified challenges and started to look at what other cities do. Soon they will also recommend solutions.

The *Regulation Subcommittee* found that the City's historic preservation ordinance is strong. It is easy to find, well organized and supported by a publicly available database of historic landmarks and districts. It also has broad authority and a provision to allow for changes due to reuse limitations that is a national "best practice."

The subcommittee is reviewing standard for PHC permit reviews. It is also looking at processes around nominations to the Philadelphia Register. Finally, it is considering the protection of archaeological resources.

The *Survey Subcommittee* found that while Philadelphia is an old city, it lags behind its peers in the number of designated properties. This is true for both the National Register and the Philadelphia Register.

A citywide survey has never been completed. The subcommittee is considering the information that is important to collect and ways to build from area surveys already completed.

The *Incentives Subcommittee* found that tax credits at the federal and state level support the rehabilitation of historic, income-producing properties. However, the recently passed tax law will likely weaken the value of the federal tax credits and the state tax credits are limited and highly competitive.

At the City level, PHC staff provides free technical assistance to property owners seeking to comply with regulations but not everyone knows this. Other city programs provide funding to maintain properties, although not specifically historic ones.

Philadelphia's ten-year property tax abatement is more complicated. It enables building owners to rehabilitate historic properties without their taxes going up. However, it may also encourage new construction as well.

The committee is looking at ways to support residents to maintain their homes and encourage developers to fix up buildings rather than tear them down.

The *Outreach and Education subcommittee* identified the Citizens Planning Institute as a means by which residents become educated about historic preservation. CPI graduates often then become active at a grassroots level in their neighborhoods.

The subcommittee continues to "spread the word" about the work of the Task Force. It is also exploring ways to involve more people in historic preservation.

The next report from Task Force will identify the specific issues that each subcommittee is tackling and best practices from around the country. A third and final report will make recommendations to the Mayor and Council. The Task Force will continue to engage the public as it moves on with its work.