FILE NO. 260141 RESOLUTION NO.

[Supporting California State Assembly Bill No. 1265 (Haney) - State Historic Tax Credit Program]

Resolution supporting California State Assembly Bill No. 1265, introduced by Assembly Member Matt Haney, which will create a new State Housing Tax Credit program to prohibit the maximum credit amount from exceeding $5,000,000 per taxpayer, no longer allow a 5% credit uplift for specified priority projects, and eliminate the credit set aside for smaller projects.

WHEREAS, California's Historic Tax Credit (HTC), originally enacted in 2019 via SB 451, provides a valuable incentive to rehabilitate certified historic structures, a practice that stimulates housing production, local economic development, environmental sustainability, and preservation of cultural heritage; and

WHEREAS, California State Assembly Bill No. 1265 (AB 1265), introduced by Assembly Member Matt Haney, would extend the HTC through December 31, 2030, with benefits for projects in taxable years beginning on or after January 1, 2027, and before January 1, 2031, and align the state HTC with the federal program by adopting a standard 20% credit rate for qualified rehabilitation expenses, creating consistency and making projects easier to finance; and

WHEREAS, AB 1265 establishes a $5,000,000 per-project cap, making the allocation process more predictable and helping ensure that funding is shared across communities statewide and removes the residential-only HTC, simplifying the program and ensuring that all certified historic properties can compete on equal footing; and

WHEREAS, AB 1265 also allows the Legislature to appropriate any amount for historic tax credits it deems prudent on an annual basis while removing prior residence-specific carve-outs and project-type uplifts; and

WHEREAS, These enhancements will improve predictability, increase access and equity for historic rehabilitation projects including affordable housing and mixed-use development, and align state credits more closely with the federal HTC, thereby benefiting projects statewide, particularly in dense urban areas like San Francisco; and

WHEREAS, Adaptive reuse of historic buildings aligns with the City's policy goals to reduce greenhouse gas emissions, foster urban density, and preserve the architectural and cultural fabric of San Francisco's neighborhoods; now, therefore, be it

RESOLVED, That the Board of Supervisors of the City and County of San Francisco supports AB 1265 (Haney) as a means to extend and strengthen the state Historic Tax Credit program through 2030; and, be it

FURTHER RESOLVED, That the Board of Supervisors encourages timely adoption of AB 1265 to leverage federal match, support preservation of historic buildings, generate jobs, and expand affordable housing in the City; and, be it

FURTHER RESOLVED, That the Clerk of the Board shall send a copy of this Resolution to Governor Gavin Newsom, President pro-Tempore Monique Limón, Speaker of the State Assembly Robert Rivas, and the offices of San Francisco's State delegation.