



Allyson Brooks Ph.D., Director
State Historic Preservation Officer

August 14, 2023

Eric Thomas, Legislative Auditor
106 11th Ave SW, PO Box 40910
Olympia, WA 98504-0910

Dear Mr. Thomas,

Thank you for providing us with your recommendations on the special valuation program for the rehabilitation of historic properties. We certainly agree with the recommendation that the program should continue and possibly even be improved. The current incentive supports the maintenance and rehabilitation of historic buildings and encourages investment in our communities. This is not only critical for the historic fabric of our state but minimizes the detrimental effects of the increased assessed value stemming from the conservation of our historic resources. The incentive has proven invaluable in assisting with the creation of new and additional living units within existing historic buildings.

For commercial properties, the program is critical for the economy as it ensures that commercial historic structures can remain economically viable. This prevents the abandonment and underutilization of buildings and supports businesses and jobs. The program has been particularly effective in stimulating investment in established downtowns and Main Streets across the state.

The special valuation program could make important improvements to the development of new housing units by extending its eligibility to ADUs and DDUs associated with existing historic buildings and districts. Increasing the density of rental units in existing buildings adds crucial housing stock to our communities while making use of the high-quality construction of older buildings.

As we modernize Washington's communities to meet the threats of earthquakes, wildfires, and sea level rise, Special Valuation offers property owners the possibility to lower the financial cost of meeting these challenges. Retrofitting an unreinforced masonry structure, replacing an aging roof, or raising a building out of a flood zone all come at significant costs to owners. Reducing the assessed tax value of a building helps divert a portion of the cost associated with these projects.

By incentivizing the maintenance and rehabilitation of historic properties, we are diverting excess materials from our landfills and minimizing the release of additional carbon associated with new construction. Special Valuation can be used for improving the energy efficiency of older buildings while sequestering the high-value carbon of wood frame buildings.

While we appreciate that only 11 ships have used the Historic Vessel Tax Credit, in 2019, Congress designated the coastline of Washington State as a Maritime Washington National Heritage Area. As a recent heritage initiative, the National Heritage Area could benefit from the continuance of this tax



credit program. DAHP supports the continued offering of the tax credit while we understand its value in the conservation of our state's maritime heritage.

Sincerely,

Allyson Brooks
Allyson Brooks (Aug 14, 2023 12:31 PDT)

Allyson Brooks Ph.D., Director

State Historic Preservation Officer

cc: Michael Houser, State Architectural Historian, (DAHP)
Nicholas Vann, Deputy State Historic Preservation Officer, DAHP
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Final Audit Report

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