

CONSERVATION EASEMENTS

What is a conservation easement?

An easement is a legal agreement between an historic preservation non-profit and a property owner in which the owner agrees that any future changes to the property will meet historic preservation standards. A facade easement typically covers the building's exterior surfaces. Other conservation easements may include historically significant interior spaces and/or the landscape on which the building sits.

Eligibility

Both commercial and residential properties are eligible. To claim a charitable deduction for an easement donation, a property must be individually listed in the National Register of Historic Places, or be a contributing structure in a National Register Historic District. If the property is in the process of being nominated to the National Register, the owner may still treat the donation of the easement as a charitable contribution, provided the property becomes listed in the National Register by the time federal taxes are due (plus six months of extensions) in the year following the donation.

Scope

The scope of an individual easement is determined by the property owner making the donation. The easement can apply to the facade of a building, parts or all of the building interior, or the land on which a building is located. To be covered by the easement, features must be publically accessible. For private residences, the ability to view facades from public streets qualifies as public access. Interior elements in private homes may be included, providing that limited public access can be arranged.

Duration

The easement is recorded on the title and runs in perpetuity with the deed to the property, regardless of the owner.



Casa de Parley Johnson, Downey

Timing

The amount of time required to process easements can range from three weeks to three months, depending on the complexity of the property and the extent of the negotiations required for either the terms and conditions of the easement or the restoration and maintenance specifications. It is best to begin the easement preparation process early in the calendar year in order to ensure that sufficient time is available to process the documents by year-end.

Process

When the Los Angeles Conservancy accepts an easement, the Conservancy's attorney prepares a draft of the easement document for review by the owner, his/her attorney, and accountant. This document includes the legal description of the property, a description of the elements of the property that the easement covers, the restoration and maintenance requirements, and photographic documentation of existing conditions. The owner and the Conservancy review this draft and make any changes that are mutually agreeable.

After agreement is reached on the terms of the easement, the owner must obtain an appraisal to determine the value of the easement. This appraisal process includes estimating the cost of compliance with the restoration and maintenance requirements of the easement. For this reason, the appraisal cannot be completed until the easement is drafted.

If there is a mortgage on the property, the lender must also agree to the easement.

Costs

Application: The Los Angeles Conservancy charges an application fee of \$250 for single family residential properties and \$500 for multi-family, commercial, and other properties.

Appraisal: Appraisal fees will differ depending on the size of the property and the complexity of the easement donation.

Filing Fee: Easements must be filed with the Los Angeles County Registrar Recorder in Norwalk. The filing fee is \$9 for the first page and \$3 for each additional page.

Documentation: In some cases, professional photodocumentation of the areas covered by the easement may be required. These costs will vary according to the number and type of photographs required.

Easement Maintenance: The Los Angeles Conservancy charges a one-time fee equal to 5% of the value of the easement donation to cover the cost of maintaining the easement in perpetuity, which includes administration and inspections. This fee is tax deductible as a charitable donation.



Los Angeles Stock Exchange
Security Pacific National Bank Photo Collection
Los Angeles Public Library

FREQUENTLY ASKED QUESTIONS

Why donate an easement?

Easements provide the strongest method of protecting an historic property from demolition or unfortunate alteration. While landmark designation programs can be subject to political whim, easement contracts are attached to the deed of the property and are enforceable, no matter who owns the property, in perpetuity.

Would an easement make a difference in how I can use my building?

The easement does not generally restrict the building's use. For facade easements, exterior changes require consultation with the Conservancy. Changes must comply with the Secretary of the Interior's Standards for Rehabilitation. Unless the interior is specifically included in the easement, interior alterations can be made at the owner's discretion.

How would this benefit me?

Easement donors can deduct the value of the easement as a charitable deduction from their income taxes in the year of the grant. Ultimately, the easement's value is determined by a professional appraiser with experience in evaluating historic properties. In a nutshell, the easement's value is the difference between the fair market value of the property without the easement and fair market value of the property with the easement restrictions.

How does this benefit the Conservancy?

There is no stronger tool to aid us in our efforts to preserve the historic built environment. The Conservancy receives no financial benefit from accepting an easement - the easement maintenance fees collected are held in a separate Easement Fund for inspection-related costs or for use in any necessary legal defense.

The Los Angeles Conservancy is a private non-profit membership organization dedicated to the preservation and revitalization of the historic architecture and cultural resources of Los Angeles County.

Los Angeles Conservancy
523 W. Sixth Street, Suite 826
Los Angeles, CA 90014

Tel: 213/623-2489
Fax: 213/623-3909
Email: info@laconservancy.org
Web: www.laconservancy.org

For information on the Los Angeles Conservancy, please see our website at <http://www.laconservancy.org>.

For information on conservation easement donations from the National Park Service, please see <http://www2.cr.nps.gov/tps/tax/easement.htm>.

For information on conservation easement donations from the Internal Revenue Service, please see <http://www2.cr.nps.gov/tps/tax/IRSFacade.htm>.

CONSERVATION EASEMENTS

Charitable Contributions for
Historic Preservation



The Wilshire Theatre

LOS ANGELES CONSERVANCY

523 West Sixth Street, Suite 826
Los Angeles, California 90014

Tel (213) 623-2489 Fax (213) 623-3909

