



# State Policies, Incentives For Office to Residential Conversions and Development

AS OF EOY 2025

## Arizona

### AZ HB 2110

Requires large cities to create, implement adaptive reuse standards eliminating conditional use permits, public hearings

### AZ HB 2297

Allows cities with 150K+ people to repurpose up to 10% of commercial buildings without discretionary municipal review, conditional use permits or rezoning applications

## California

### CA AB 529

Modernizes state building codes to streamline office and retail to housing conversions

### CA AB 1490

Expedites the review process for O2A conversions of 150 units or less to 60 days or less

### CA AB 1532

Expedites approval processes for O2A conversions that include affordable units

### CA AB 2011

Allows the development of multifamily housing in some commercially zoned areas

### CA AB 835

Legalized single staircase construction for residential buildings

### Infill Infrastructure Grant Program (IIG)

Provides financial assistance for infrastructure improvements that support infill housing development

## Connecticut

### Public Act No. 25-164

Municipalities that adopt required zoning, processes for commercial property conversions can streamline approvals by eliminating public hearings, variances, special permits, and special exceptions

Those municipalities also may receive priority consideration for state Greyfield funding

## Florida

### Live Local Act

Combines tax incentives with provisions exempting affordable housing projects from zoning, planning obstacles

## Illinois

### Illinois Historic Preservation Tax Credit Program (IL-HTC)

State income tax credits equal to 25% of qualified expenditures from the rehabilitation of certified historic structures; not to exceed \$3 million

### River Edge Historic Tax Credit Program (RE-HTC)

State income tax credits equal to 25% of qualified expenditures from the rehabilitation of historic structures located in designated zones along Illinois rivers

### Property Tax Assessments Freeze

Qualified historic properties that undergo substantial rehabilitation may qualify for an 8-year property tax assessment freeze

### Historic Preservation Fund

Grants, low-interest loans for rehabilitating historic structures

### Illinois State Historic Preservation Office

Technical assistance, guidance on historic rehabilitation projects

## Massachusetts

**Contributed \$15 million in funding to Boston's Downtown Residential Incentive Program in 2024**

**Program offers developers up to \$215K per affordable unit, capped at \$4 million per project**

### Commercial Conversion Tax Credit Initiative (CCTI)

Up to \$10 million in state tax credits for adaptive reuse projects, with awards ranging from \$2.5 million - \$3 million per project; both for-profit and non-profit developers are eligible

### Commercial Conversion Initiative

Program lowers regulatory barriers for qualified O2As, provides technical assistance, feasibility analyses

## Montana

### MT SB 245

Requires large cities to allow multifamily housing and mixed-use buildings in most commercial zones

Limits parking requirements for such developments to one off-street space per unit or the equivalent through a shared agreement

## New Hampshire

### NH HB 631

Permits development of residential, mixed-use buildings in commercially zoned areas by right, eliminating public hearings, special permits

## New Mexico

### Housing New Mexico

Organization providing financing for affordable housing through bonds, tax credits, federal and state agencies

## New York

### RPTL 45-x: Affordable Neighborhoods for New Yorkers (ANNY)

Offers 10-35-year real estate tax exemptions, including up to 3 years of construction period benefits, for multifamily buildings that meet established affordable housing requirements

### RPTL 467-M: Affordable Housing From Commercial Conversions Tax Incentive Benefits (AHCC)

90% property tax exemption for up to 35 years for commercial to residential conversions with at least 25% affordable housing

## North Carolina

### NC Ready for Reuse Brownfield Redevelopment Program

Five-year tax abatement on the value of infrastructure projects that remediate environmentally contaminated sites

### Historic Preservation Tax Credit Program

Offers a 15%-25% state income tax credit for historic preservation of commercial properties that can be stacked on Federal Historic Preservation Tax Credits

## Ohio

### Historic Preservation Tax Credit Program

State tax credits up to 25% of qualified expenditures from the rehabilitation of historic buildings, capped at \$5 million

## Rhode Island

### RI H6090- 2023/S1035-2023

Two key bills in package that modified state-wide zoning to make commercial to residential, mixed-use conversions a by right permitted use, subject to restrictions

### RI S1037

Creates a statewide density bonus of 5 -12 units for projects with 25% to 100% low, moderate-income housing

Streamlines O2A conversions by eliminating certain approvals, environmental impact, parking requirements; preempts limits on larger units

## Oregon

### HB 2984

Requires local governments to allow commercial to residential conversions by right

## Texas

### TX SB840

Permits commercial to residential conversions in commercially zoned areas by right

Waives certain fees, setback, parking, study, mitigation requirements

Only applies to cities with populations of 150K+ in counties with populations of 300K+

### TX-PACE

Low-cost, long-term financing for water conservation, energy efficiency, renewable energy projects, including for multifamily properties

## Washington

### HB 1757

Permits commercial to residential conversions in areas zoned as commercial, single family residential, mixed-use

Eliminates change of use permit requirement for conversions

Reduces energy code requirements

### SB 5491

Legalized single staircase construction for residential buildings

## Wisconsin

### AB 264 (2023 Wisconsin Act 14)

Created a revolving loan fund for residential housing infrastructure projects

### AB 265 (2023 Wisconsin Act 15)

Created a revolving loan fund for workforce housing improvements

### AB 266 (2023 Wisconsin Act 16)

Simplifies the certiorari review process for local land use decisions

### AB 267 (2023 Wisconsin Act 18)- Vacancy to Vitality Loan Program

Created a revolving loan fund for commercial to workforce, senior housing conversions

## Multiple States

Although the LIHTC program is a federal program, it is administered by the states

### Low Income Housing Tax Credits Program (LIHTC)

The federal government allocates tax credits for low-income housing to each US state based upon its population

Each state's housing finance agency develops and implements a plan determining how the credits will be distributed

### State Historic Tax Credits

39 US States currently offer their own tax credits for the restoration of historic buildings; most can be layered on Federal Historic Tax Credits

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