

Application for Local Historic District Tax Abatement

DRAFT

City of Austin
Historic Preservation Office
Planning & Development Review Department
505 Barton Springs Road, 5th Floor
Austin, Texas
<http://www.ci.austin.tx.us/historic/>
512-974-2727

City of Austin Local Historic District Tax Abatement

To encourage preservation and maintenance of the architectural character of local historic districts, the City makes available property tax abatements to the owners of contributing and potentially contributing properties who have completed substantial rehabilitation or restoration projects. The program abates 100% of the city property taxes assessed on the added value of the property for a designated number of years. Improvements must comply with the local historic district's preservation plan.

ABATEMENT AVAILABLE BY PROPERTY TYPE:

Category of property	Ownership type	Required minimum expenditure	Minimum % that must be spent on exterior improvements	Amount of abatement	Duration of abatement	Frequency abatement may be granted
Residential	Owner occupied (homestead)	Equal to 25% of pre-rehabilitation value of structure	5%	100% of the city taxes assessed on the added value of the property	7 years	Once every 10 years
Residential located within Revitalization Area*	Owner occupied (homestead)	Equal to 10% of pre-rehabilitation value of structure	5%	100% of the city taxes assessed on the added value of the property	10 years	Once every 15 years
Commercial	Income-producing property	Equal to 40% of pre-rehabilitation value of structure	5%	100% of the city taxes assessed on the added value of the property	10 years	Once every 15 years
Commercial located within Revitalization Area*	Income-producing property	Equal to 30% of pre-rehabilitation value of structure	5%	100% of the city taxes assessed on the added value of the property	10 years	Once every 15 years

*Area bounded by Interstate 35 from Manor Road to Riverside Drive, Riverside Drive from Interstate 35 to Highway 71, Highway 71 from Riverside Drive to Highway 183, Highway 183 from Highway 71 to Manor Road, and Manor Road from Highway 183 to Interstate 35.

APPLICATION PROCESS:

The program involves a three (3) step application process that requires approval by the Historic Landmark Commission and the Historic Preservation Office. Approval of Part I is required prior to starting any work.

Part I – Application for Certification of Eligibility

Upon submission of a complete application for Certificate of Eligibility, including an application for a Certificate of Appropriateness, the case will be placed on the next Historic Landmark Commission (HLC) agenda for review. Incomplete applications will not be forwarded to the HLC for action.

Deadline for application: twenty-one (21) days prior to Historic Landmark Commission meeting.

Part II – Verification of completed work and review of expenditures

Upon completion of the work, issuance of a certificate of occupancy, and submission of the Application for Verification, the Historic Preservation Officer will inspect the property to ensure the work complies with the approved Certificate of Eligibility and Certificate of Appropriateness. The

Historic Preservation Officer will also review the record of expenditures and receipts to determine the eligibility of all expenditures. If the verification is approved by the Historic Preservation Officer, a Certificate of Verification will be issued to the property owner and forwarded to the Travis County Appraisal District.

Deadline for completion of work: a certificate of occupancy must be obtained within 2 years after the date the Certificate of Eligibility is approved.

Part III – Annual application to Travis County Appraisal District

Property owners must submit an annual request to the Travis County Appraisal District to receive the abatement.

The tax abatement goes into effect the first day of the first tax year after verification is obtained.

ELIGIBLE EXPENSES: Per 11-1-63 (6) of City Code, only work for which a certificate of appropriateness or City permit is required is included in determining whether the proposed work exceeds the specified percentage of pre-restoration value.

ELIGIBLE EXPENSES:

- Labor/materials related to eligible costs
- Demolition related to eligible costs or to remove non-historic exterior additions and features
- Repair, restoration or replacement of historic façade features
- Exterior masonry and siding repair
- Roofing
- Foundation
- Structural repairs
- Gutters
- Windows
- Doors
- HVAC systems (permanent)
- Electrical, plumbing and gas systems (permanent)
- Escalators/Elevators
- Fire Escapes
- Sprinkler/Fire suppression systems
- Security system (if permit required for installation)
- Interior partitions, ceilings, floors
- Signage
- Above listed work on outbuildings deemed contributing structures

INELIGIBLE EXPENSES:

- Light fixtures
- Interior finishes
- Appliances
- Cabinetry
- Furniture
- Window treatments
- Decks/patios not original to building
- Demolition costs related to removal of contributing buildings or structures
- Construction of new buildings
- Non-historic landscape features (e.g. retaining walls, fencing, paving, planters, vegetation, paths, sidewalks)
- Parking lot
- Architectural and engineering fees
- Building permit, variance, zoning or platting application fees
- Feasibility studies
- Financing fees
- Leasing expenses
- Storm sewer costs
- Legal/Accounting fees
- Purchase of, or repair to, construction tools and equipment
- Taxes, except sales tax for eligible expenses

FREQUENTLY ASKED QUESTIONS:

1. How do I know if my property is in a local historic district?

Properties located within a local historic district have an “HD” in their zoning classification (e.g. SF-3-HD-NP). You can determine your property’s zoning classification by searching for the property address on the City of Austin’s internet GIS viewer (<http://www.ci.austin.tx.us/GIS/DevelopmentWebMap/>), or by visiting the City’s Historic Preservation Office web site at <http://www.ci.austin.tx.us/historic/localhd.htm>.

2. What is a “contributing” property?

Historic districts are comprised of two types of properties, contributing and non-contributing. Broadly defined, a contributing property is any structure built during the district’s period of significance that adds to the historical integrity or architectural qualities that make a historic district significant. In general, contributing properties are integral parts of the historic context and character of a historic district. Properties are classified as contributing or non-contributing as part of the process of adopting the local historic district zoning overlay. You can determine if your property is a contributing building by visiting the City’s Historic Preservation Office (CHPO) web site at <http://www.ci.austin.tx.us/historic/localhd.htm>, or by contacting the CHPO at 512-974-2727.

3. If my property is not a contributing building in the district, am I eligible to receive the Local Historic District tax abatement?

Yes, if the improvements you propose will remove non-historic architectural features, or restore original features and bring your property to contributing status for the district, and the project meets other requirements of the program, you may be eligible to receive the rehabilitation tax abatement.

4. What guidelines are used to determine if the work I propose is appropriate?

All work must comply with the Preservation Plan and Design Standards adopted for the local historic district in which the property is located. These Standards can be found on the City of Austin’s Historic Preservation Office web site for each local historic district.

5. If I sell my property, can the new owner receive the abatement?

The abatement is transferred to new owners within the allowed duration period, however new owners are required to submit a request to the Travis County Appraisal District annually to receive the abatement.

6. What if I have completed my rehabilitation work prior to submitting my application?

Abatements can not be applied to expenditures made prior to approval of the Certificate of Eligibility.

7. Can I appeal a denial of the Certification of Eligibility or Certificate of Verification?

If the Historic Landmark Commission determines your project is not eligible for an abatement you may appeal the decision to the Planning Commission. To appeal you must file a written request with the Historic Preservation Office not later than the 30th day after the date written notice of the decision is provided to you. On appeal, the Planning Commission shall consider only whether the Historic Preservation Commission erred in determining your project not eligible for the abatement under Section [11-1-68](#) of the City ordinance.

City of Austin
Local Historic District Tax Abatement
Part I - Application for Certificate of Eligibility

PART I - APPLICATION CHECK LIST:

- ___ Completed Application for Certificate of Eligibility signed by owner.
- ___ Estimate of costs for eligible work.
- ___ Completed Certificate of Appropriateness Application signed by owner.
- ___ Proof of pre-rehabilitation value from the Travis County Appraisal District.
- ___ Signed authorization for inspection of the property by City staff, and affidavit stating all property taxes are current and no city fees, fines, or penalties are owed on property owned by a business association in which the applicant has an ownership interest.
- ___ Tax certificate providing proof no property taxes or City fees, fines, or penalties are delinquent on the property.
- ___ Proforma and development budget, if an estimated abatement is over \$100,000.
- ___ Letter of intent from a financial institution or potential investors, if applicable.

City of Austin
Local Historic District Tax Abatement
Part I - Application for Certificate of Eligibility

Address of property: _____

Name of Local Historic District: _____

☐ Contributing property ☐ Non-contributing property

Legal Description of Property: _____

Tax Parcel ID Number: _____

APPLICANT/PROJECT CONTACT:

Name: _____ Telephone: (____) _____

Mailing Address: _____ Mobile phone: (____) _____

City: _____ State: _____ Zip: _____ Email: _____

OWNER:

Name: _____ Telephone: (____) _____

Mailing Address: _____ Mobile phone: (____) _____

City: _____ State: _____ Zip: _____ Email: _____

Proposed Use of the Property: _____

Proposed Scope of Work: _____

Projected Construction Schedule: _____

Has the property received any other property tax relief under § 11.24 of the Texas Tax Code?:

Describe all City Code violations, if any, on the property within the previous five years:

For Historic Preservation Office use only:

____ Property is not a contributing or potentially contributing structure

____ Certificate of Eligibility approved by Historic Landmark Commission

____ Certificate of Eligibility not approved by Historic Landmark Commission

Historic Preservation Officer

Date

ESTIMATE OF EXPENDITURES

Attach additional pages if needed.

**City of Austin
Local Historic District Tax Abatement
Part I - Application for Certificate of Eligibility**

**Statement of Understanding, Authorization for Inspection of Property, and Affidavit
Regarding Taxes, Fees, Fines and Penalties**

Insert revised affidavit statement form

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City of Austin
Local Historic District Tax Abatement
Part II - Verification Work Complete and Statement of Expenditures

PART II - VERIFICATION CHECK LIST:

- ___ Complete Part II - Application for Verification including Record of Expenditures.
- ___ Copy of the approved Certificate of Eligibility.
- ___ Signed Statement of Compliance with Certificate of Appropriateness and Minimum Expenditures, Authorization for Inspection by City Officials, and Affidavit Regarding Taxes, Fees, Fines and Penalties
- ___ Copy of the Certificate of Occupancy.
- ___ Executed Commitment to Repay, acknowledged before a notary public.
- ___ Copy of City Council resolution if the abatement exceeds \$50,000.

City of Austin
Local Historic District Tax Abatement
Part II - Verification Work Complete and Statement of Expenditures

Address of property: _____

Name of Historic District: _____

Legal Description of Property: _____

Tax Parcel ID Number: _____

APPLICANT/PROJECT CONTACT:

Name: _____ Telephone: (____) _____

Mailing Address: _____ Mobile phone: (____) _____

City: _____ State: _____ Zip: _____ Email: _____

OWNER:

Name: _____ Telephone: (____) _____

Mailing Address: _____ Mobile phone: (____) _____

City: _____ State: _____ Zip: _____ Email: _____

Date of Certificate of Eligibility: _____

Date Certificate of Occupancy obtained: _____

Brief description of completed Scope of Work:

Total eligible expenditures: _____

Pre-rehabilitation appraised value: _____

For City Historic Preservation Office use only:

____ Inspection completed _____.

____ Work completed per approved Certificate of Eligibility and Certificate of Appropriateness

____ Work not completed per approved Certificate of Eligibility and Certificate of Appropriateness

Historic Preservation Officer

Date

RECORD OF REHABILITATION EXPENDITURES

Attach additional pages if needed.

**City of Austin
Local Historic District Tax Abatement
Part II - Verification Work Complete and Statement of Expenditures**

**Statement of Compliance with Certificate of Appropriateness and Minimum
Expenditures, Authorization for Inspection by City Officials, and Affidavit Regarding
Taxes, Fees, Fines and Penalties**

Insert revised affidavit statement form

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City of Austin
Local Historic District Tax Abatement
Part II - Verification Work Complete and Statement of Expenditures

CITY OF AUSTIN
HISTORIC AREA DISTRICT TAX ABATEMENT
STATEMENT OF COMMITMENT TO REPAY
TAXES FOR NONCOMPLIANCE

Insert revised commitment to repay statement form