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## MEMORANDUM

**TO:** Mayor and Council

**FROM:** Austan S. Librach, P.E., AICP  
Director  
Transportation, Planning & Sustainability Department

**DATE:** July 27, 2004

**SUBJECT:** Local Historic District Zoning

Pursuant to the request of Council Member Slusher, we are pleased to provide a “primer” on local historic districts. Austin does not currently have local historic district zoning. The only recognized historic designations in Austin are buildings which are city historic landmarks and those within National Register Historic Districts.

### **Purpose of Local Historic Districts**

Local historic districts are created to preserve and protect the historic character of a grouping of properties that generally have a distinguishing architectural unity. Most local historic district ordinances provide for:

- Design standards
- Property tax incentives to rehabilitate historic buildings within the district

Most cities make a distinction between “contributing” and “non-contributing” buildings for purposes of applying design standards and eligibility for the rehabilitation incentive. Contributing buildings are those that contribute to the historic character of the district and are so designated in the definition of the district.

### **Design Standards**

Design standards govern the scale, massing, materials and design of any new construction in the historic district. Complying with *mandatory* design standards that are established within a district-wide preservation plan ensures that new construction complements the historic character of the property and/or district. By contrast, Austin currently has 14 National Register Historic Districts (NHRDs), which may or may not have non-binding design *guidelines*.

### **Property Tax Incentives**

Many cities, such as Dallas, provide property tax incentives for rehabilitating structures in historic districts to promote the continued viability of historic buildings. To qualify for the property tax incentive, most cities require that the building be *contributing*, that the property owner invest a certain percentage of the pre-rehabilitation value of the property in “qualified rehabilitation expenditures” and that a certain percentage of the rehabilitation address exterior rehabilitation. The incentive is an abatement of the taxes on the added value of the property for up to 10 years - the maximum allowed by state law.

## **Historic Preservation Task Force Recommendation for Creating Local Historic Districts in Austin**

The Historic Preservation Task Force recommended the establishment of local historic districts with the following criteria:

- ❑ At least 51% of the principal buildings within a proposed local historic district must contribute to the historic character of the district, in conformance with the designation criteria for National Register Historic Districts.
- ❑ An application to designate a local historic district must contain an inventory of the properties included in the district and a professional evaluation of their status as contributing or non-contributing.
- ❑ A local historic district could be initiated by Council, the Historic Landmark Commission, staff (if recommended in a neighborhood plan) or a petition endorsed by at least 50% of all property owners in the proposed district.\*
- ❑ Local historic districts would be a combining district overlay, labeled "HD" on the zoning maps to differentiate them from the City's historic landmarks, which are individually designated properties of historical significance. Historic landmarks, even within a local historic district, would be labeled "H" and follow separate Code provisions for permit reviews.
- ❑ The Historic Preservation Task Force recommended that each local historic district have an ordinance containing a district preservation plan, setting out the design standards and any allowed modifications to site development or compatibility regulations. Design standards would apply to all new construction, including additions to existing contributing structures. Modifications to non-contributing structures would be subject to district-specific site development and compatibility standards, as well as design standards relating to scale and massing. Design standards would not be used to promote a false historic appearance of a modern building.
- ❑ A Certificate of Appropriateness from the Historic Landmark Commission would be required for changes to the exterior or site of contributing buildings in the historic district. Staff may approve demolition and relocation permit applications for non-contributing buildings. Contributing buildings would be protected by the same penalties applicable to illegal demolition of designated historic landmarks.
- ❑ The Historic Preservation Task Force recommended the following property tax incentives for rehabilitation\*\*
  - Rehabilitation of owner-occupied residences would be eligible for an abatement on the added value of the property for 7 years, provided that the owner invests at least 25% of the pre-improvement value of the structure in qualified rehabilitation expenditures, including at least 5% of the pre-improvement value of the structure in qualified expenditures to the exterior of the property.
  - Rehabilitation of income-producing property would be eligible for an abatement on the added value of the property for 10 years, provided that the owner invests at least 40% of the pre-improvement value of the structure in qualified rehabilitation

expenditures, including at least 5% of the pre-improvement value in qualified expenditure to the exterior of the property.

In order to receive the abatement, all applicants for the incentive would be required to obtain approval from the Historic Landmark Commission for the rehabilitation and certification from the Commission that the work was done in accordance with the approved plans.

The Historic Preservation Taskforce proposed code changes are on the Council agenda for July 29, 2004. If you need additional information, please contact Steve Sadowsky, Historic Preservation Officer, 974-6454.



Austan S. Librach, P.E., AICP

Director

**TRANSPORTATION, PLANNING & SUSTAINABILITY DEPARTMENT**

c: Toby Hammett Futrell, City Manager  
Laura J. Huffman, Assistant City Manager  
Steve Sadowsky, Historic Preservation Officer  
Mike English, Law

\*Staff clarification: The nomination to the Historic Landmark Commission must have the signatures of at least 50% of the affected property owners.

\*\*An alternative recommendation from the Planning Commission, Historic Landmark Commission, Preserve Austin, and staff is that the property tax incentive for rehabilitation be limited only to *contributing* buildings in the district, or to non-contributing buildings if the rehabilitation project will restore the building to contributing status, and that the abatement run for 10 years for both owner occupied and income producing property, the maximum allowed under state law. Staff further recommends that the projects qualifying for the incentives be limited to those which restore the historic character of the building; additions would not be eligible for the incentive.