

Audit Report

Historic Preservation Program

February 2017



The Planning and Zoning Department is not effectively administering the historic preservation program, which may prevent the program from achieving its objectives. Specifically, staff do not consistently collect and secure fees; justifications for administrative approvals are not documented; the status of application cases is not consistently tracked; and inspections are only done for a subset of properties and are not consistently documented. In addition, Historic Landmark Commission members reported that they do not have adequate and timely information to make informed decisions. We also identified some differences between the City of Austin's historic preservation activities and those of other entities.

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Cover: Bird's Eye View of the City of Austin 1873, Map L-20 detail, Austin History Center, Austin Public Library.

Objectives

The objectives of the audit were to determine whether the historic preservation program is achieving its objectives and how the process compares with similar entities.

Background

The overall goal of the City of Austin's historic preservation program is to protect and enhance neighborhoods, buildings, and sites that reflect elements of Austin's cultural, social, political, and architectural history. The Historic Preservation Office within the Planning and Zoning Department is responsible for administering the historic preservation program.

Responsibilities for administering the City's historic preservation program are distributed to four key parties. Some of the assigned responsibilities are shown below.

Exhibit 1: Distribution of responsibilities in Austin's historic preservation process



SOURCE: OCA analysis of the parties involved in the City's historic preservation program activities, October 2016

Over the years the City of Austin, through the historic preservation program, has identified and designated historic properties and provided incentives to encourage their preservation. The Historic Preservation Office's (HPO) records indicate that currently the City has over 600 local historic landmarks¹ and three local historic districts.²

Several stakeholders have expressed a concern that due to the City's rapid growth many potential historic buildings are being demolished. Some stakeholders also expressed a fear that in future neighborhoods seeking a local historic district designation will no longer have enough qualifying structures to support a designation. Based on HPO records, from FY 2014 to FY 2016 the office received and reviewed approximately 1,700 demolition applications for residential and commercial properties that were over 40 years old.

What We Found Summary

Overall, we found several issues, which indicate that the Planning and Zoning Department is not effectively administering the historic preservation program. The issues noted may prevent the City's historic preservation program from achieving its objectives of protecting and enhancing neighborhoods, buildings, and sites that reflect elements of Austin's cultural, social, political, and architectural history.

Exhibit 2: Issues noted in the administration of the historic preservation program

	Application Fees Finding 1	Application Review Finding 2	Property Preservation Finding 3	HLC Approval of Applications Finding 4
What we found	<ul style="list-style-type: none"> Fees are not collected consistently Fees collected are not secured 	<ul style="list-style-type: none"> Justifications for administrative approvals are not documented Application status is not consistently tracked 	<ul style="list-style-type: none"> Only a subset of properties are inspected Inspections are not consistently documented No formal guidance on inspection rating criteria 	<p>Historic Landmark Commission (HLC) members indicated that they do not have timely and adequate information to make informed decisions</p>
Why it matters	<p>The City could forgo revenue due to errors or theft</p>	<p>The approval process may be inconsistent and the Historic Preservation Office may not be able to demonstrate how City Code requirements are met</p>	<p>Historic properties may not be preserved and maintained per established requirements</p>	<p>HLC may make uninformed decisions which could expose the City to lawsuits as well as dissatisfied stakeholders</p>

SOURCE: OCA analysis of the City's historic preservation program activities, October 2016

¹ These include residential and commercial buildings, ruins, industrial and utilitarian structures, museums, objects, and significant landscapes.

² Local Historic Districts: Harthan Street, Castle Hill, and Hyde Park

We compared the City of Austin’s historic preservation activities with those of 21 other entities and found many similarities. However, we found that Austin differs from the majority of other entities in the following areas:

- the timeframe in which meeting agenda back-up information is provided to commission/board members;
- legal guidance during commission/board meetings; and
- commission/board member qualification requirements.

Finding 1

Historic Preservation Office employees are not consistently collecting and securing historic preservation-related fees.

The City Council annually approves fees for historic preservation activities in order to enable the City to recover the cost of services.

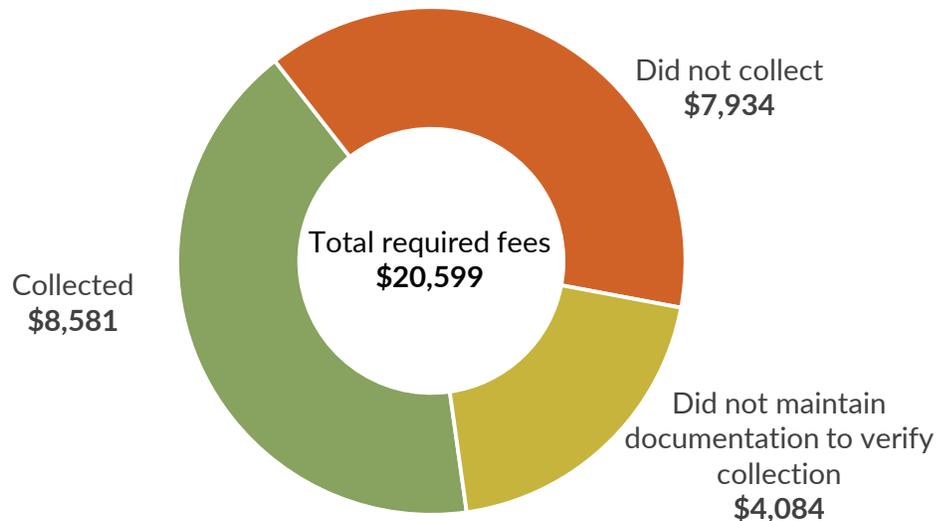
The City’s Cash Handling Policy requires:

- Maintaining strict control over all cash receipt documents;
 - Using pre-numbered and sequentially numbered receipts;
 - Counting and reconciling cash whenever funds change hands, with both parties signing off on the result.
-

Historic Preservation Office staff do not charge historic preservation-related fees consistently, resulting in lost revenue to the City. Historic Preservation Office staff are required to charge and collect three key fees from applicants for historic property alteration cases, which require Historic Landmark Commission (HLC) approval. These include the Historic Landmark Commission review, notification/re-notification, and sign fees.³

We reviewed a sample of 30 out of approximately 500 historic property applications that were reviewed by HLC members during our audit scope and found that HPO staff did not consistently charge and/or collect all required fees. This resulted in uncollected fees of approximately \$ 7,900. In addition, HPO did not maintain documentation to support collection of approximately \$4,000.

Exhibit 3: The City did not collect or provide documentation to verify collection of 58% of required fees



SOURCE: OCA analysis of the historic designation-related fees assessed by HPO staff, October 2016

Historic Preservation Office staff are not adequately securing historic preservation-related fees, which increases the risk of theft of revenue. HPO employees are required to ensure that fees received are secured. According to HPO staff, an HPO employee collects fees from applicants

³ Staff collect the notification/re-notification fees and sign fees only for those cases that are reviewed by the HLC.

and issues a manual receipt. We noted issues with handling of fees collected by HPO employees. Specifically:

- Records of fees collected are not consistently maintained. For some of the sampled cases HPO staff indicated that the relevant receipt books were missing.
- HPO employees are not consistently issuing receipts in sequence from pre-numbered receipt books.
- The HPO staff stated that an HPO employee delivers the collected fees to the departmental cashier without another employee matching and confirming the receipts issued to payments received. In addition, the cashier provides no acknowledgment of receipt after the collected fees are delivered.

The issues noted above appear to be due to inadequate coordination between HPO staff and insufficient oversight over the HPO. Staff indicated that in some cases historic property owners deal directly with the Historic Preservation Officer. According to staff, in such instances the employee in charge of collecting the applicable fees may not be informed of the transaction and therefore would not collect the fees.

In addition, HPO employees appear to operate with a large degree of autonomy and receive minimal oversight from PZD management. Management stated that in the past HPO has been placed under a division that is not well aligned with its work. This makes it difficult for the division manager to effectively monitor and review the work done by the staff. Management indicated that the HPO has been administratively transferred to a new division that is more aligned with its activities and that management is in the process of hiring a division manager over this area who will have the necessary qualifications to oversee HPO activities.

We also noted inefficiencies in the tracking of historic preservation case information. Currently historic preservation-related information is tracked in two separate databases.⁴ This duplication of work puts additional strain on the HPO office.

Finding 2

Historic Preservation Office staff are not consistently documenting sufficient information regarding cases under their purview.

The Historic Preservation Officer does not document justification for administrative approval. Based on HPO records, there were over 3,400 property alteration, demolition, and relocation cases from FY 2014 to FY 2016. Approximately 80% of these cases were reviewed only by the Historic Preservation Officer. However, these reviews and the justifications for administrative approvals were not documented.

Historic Preservation Office employees did not consistently document the status of the cases in the HPO database. Out of 2,377 cases received by HPO staff in FY 2014 and FY 2015, there are approximately 100 cases still shown as “pending review” as of October 2016. The database did not indicate who was responsible for reviewing these cases.

⁴ Information for all demolition, alteration, and relocation cases that require a permit is tracked both in the AMANDA and internal Historic Preservation Office databases.

The City Code Chapter 25-11 gives the Historic Preservation Officer authority to administratively approve some applications for alterations to existing historic designated structures as well as contributing properties within historic districts. In addition, the Historic Preservation Officer may administratively approve property demolition applications for buildings older than 40 years that do not meet the established criteria for historic designation.

Finding 3

The City needs to improve current historic preservation practices to ensure that historic designated properties are preserved and maintained per established requirements.

The City Code Chapter 25-11 requires the historic property owner, or other person having legal custody of a designated historic property, to preserve the property as per applicable criteria and maintenance requirements. However, the City has the responsibility of ensuring that property owners comply with those requirements.

Without documenting the reviews and justifications for administrative approvals, the approval process may be inconsistent and the Historic Preservation Office may not be able to demonstrate how City Code requirements are met.

The City has over 600 historic landmarks and 3 historic districts. In order to ensure that historic property owners are complying with the applicable designation requirements, the City requires all alterations, demolitions, and relocations of historic designated properties to be reviewed and approved by the HPO or the HLC.⁵ In addition staff indicated that to ensure that historic designated properties are preserved and maintained per established requirements, the City relies on:

- annual inspections; and
- citizen complaints.

Based on our review we noted that the City's current practices for annual inspection and tracking of citizen complaints need improvement.

Annual compliance inspections are conducted for only a subset of properties and inspections that are conducted are not consistently documented. Based on a review of properties that were designated prior to 2014, 64 properties did not receive any annual inspection during the last 3 years. Thirty-one (50%) of the 64 properties not inspected belong to the City of Austin.

We reviewed a sample 30 historic properties out of sample of approximately 500 historic properties that were inspected in 2015 and 2016 to determine if staff consistently documented the inspections and found that inspection forms were not consistently completed or reviewed. Specifically, the forms were missing signatures, inspection dates, and inspection results. For example, in 2016: 4 (13%) of the 30 properties did not have inspection forms on file. Out of the remaining 26 properties that had inspection forms:

- 20 (77%) inspection forms were not dated by the inspector;
- 19 (73%) were not initialed by the inspector; and
- 17 (65%) were not signed or dated by the Historic Preservation Officer.

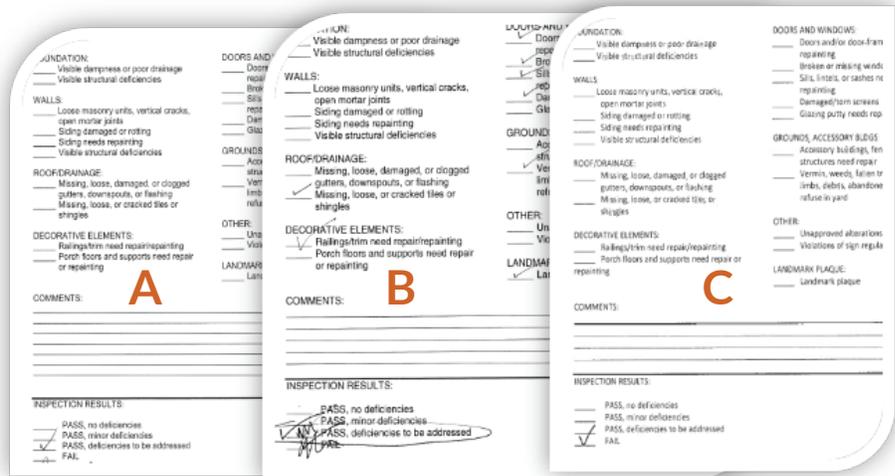
⁵ Changes to historic resources are permitted, but require review for compatibility with historic character based on established standards.

Clearly defined, documented, and disseminated procedures allow for proper and consistent handling of operational activities and any issues that arise.

There is no formal guidance on the inspection rating criteria, which can result in inconsistent inspection ratings, exposing the City to potential liability. According to HPO staff, staff in the HPO perform inspections of historic properties with assistance of other Planning and Zoning Department staff. Management has developed an inspection form that contains a checklist of broad areas that should be inspected. The areas include property foundation, walls, roof/drainage, decorative elements, doors and windows, ground accessory buildings, landmark plaque, and other. The inspection results are assigned an overall rating by staff. The rating options include fail; pass, no deficiencies; pass, minor deficiencies; or pass with deficiencies to be addressed. According to HPO staff, the inspections help to determine whether historic property owners are complying with the designation requirements.

We noted that historic property inspection ratings are not always supported by documented staff observations. The three examples below show some of the inconsistencies on three property inspection forms. Properties A and B were rated as “Pass, deficiencies to be addressed,” but only the property B form shows areas where staff noted deficiencies. Property C was given a “Fail” rating but the space where staff are supposed to document observed deficiencies was left blank.

Exhibit 4: Overall ratings for some historic property inspection results are not supported by documented observations



SOURCE: OCA analysis of a sample of Historic Landmark inspection forms, October 2016

According to HPO staff, the criteria used to assign ratings for the inspections are not documented. Well documented rating criteria would help to promote consistency in the rating of the inspected properties. It would, for example, clarify when the HPO staff should assign a “fail” rating to a property versus “pass with deficiencies to be addressed.”

HPO employees do not track citizen complaints. HPO employees indicated that they receive and address citizen complaints including those relating to delays in processing of applications and timely notifications to the public for certain cases. However, staff stated that they do not

Complaint tracking can provide information about type of complaints which can lead to improvements in service delivery and public confidence in an organization's administrative processes.

Finding 4 Historic Landmark Commission members reported that they do not have timely and adequate information to make informed decisions.

60% of Commission members reported that either all or some current historic designation criteria are not clear

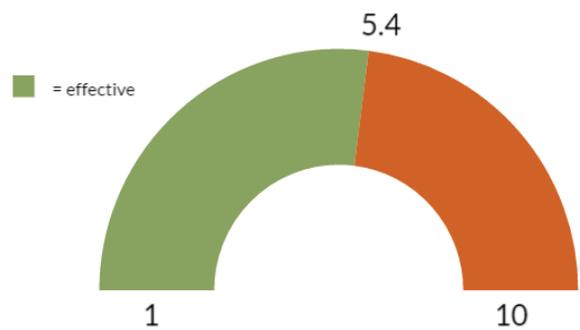
60% of the Commission members reported that they do not have sufficient time to review back-up information prior to making decisions

track complaints or actions taken to address the complaints. As such, we were unable to determine the effectiveness of relying on this process. The tracking of customer complaints would enable management to identify areas in the process that need improvements and to gauge public satisfaction with the historic preservation processes.

We surveyed all Historic Landmark Commission (HLC) members on their perceptions of the City's historic preservation program. Specifically, we asked about the designation process and criteria, timeliness and adequacy of information provided by staff, and guidance provided to HLC members to assist them in their decision-making on historic preservation matters.

Based on the survey it appears that the HLC perceive that the City's historic designation process is not working as effectively as it should. On a scale of 1 to 10 (10 being the highest) nine HLC members rated the effectiveness of the City's overall historic designation process at an average of 5.4. Ratings ranged between 3 and 9.

Exhibit 5: HLC members rated the effectiveness of the City's historic preservation process



The majority of HLC members reported that either all or some current historic designation criteria are not clear. According to our survey, four (40%) of the ten HLC members reported that the "Community Value" criterion is vague and subject to multiple interpretations. Another two (20%) noted that none of the current historic designation criteria are easy to understand and apply.

The majority of HLC members reported that the current timeframe for providing back-up information to the HLC does not give them sufficient time to thoroughly review supporting information for each of the cases prior to making decisions. Usually the Historic Preservation Office staff provide back-up information for the cases to be reviewed by the HLC 72 hours prior to the meeting. Most HLC members reported that 72 hours coupled with the high number of cases on the agenda makes doing due diligence on each case extremely difficult. Specifically, they reported that the timeframe does not give them sufficient time to review all back-up information adequately in order to make informed decisions. Some HLC members also noted that they do not get enough time to perform their own research where needed, especially given that City facilities and staff are unreachable.

90% of the Commission members feel that there is inadequate legal support

The majority of HLC members stated that they have inadequate legal support. Nine (90%) of the ten HLC members surveyed indicated that the HLC does not receive adequate support from the City's Law Department. Some HLC members noted that the majority of the HLC members are relatively new (eight of the ten HLC members came on the commission after July 2015) and thus may need more legal guidance.

Finding 5

The City of Austin's historic preservation activities are generally similar to benchmarked entities in several areas, with a few areas where Austin's practices differ.

We compared the City of Austin's historic preservation activities with those of 21 other entities (including 9 entities from Texas) and found general similarities. However, we found that Austin differs from the majority of other cities in the following areas: the timeframe in which meeting agenda back-up information is provided to commission/board members; legal guidance during commission/board meetings; and commission/board member qualification requirements.

Exhibit 6: Current historic preservation practices

Designation Criteria			Austin uses designation criteria similar to a majority of other entities
Training			Austin and a majority of other entities do not require commission/board members to attend training on historic preservation
Applicant Support			Austin and a majority of other entities provide some or no support to district designation applicants
Meeting Frequency			Austin and a majority of other entities' commissions/boards meet once a month
Backup Schedule			Austin provides backup information to its commission/board later than the majority of entities reviewed
Legal Support			A majority of entities reviewed have legal staff at each commission/board meeting, while Austin does not
Commission Member Qualifications			Austin has only recommended qualifications for commission/board members, while a majority of other entities have required qualifications

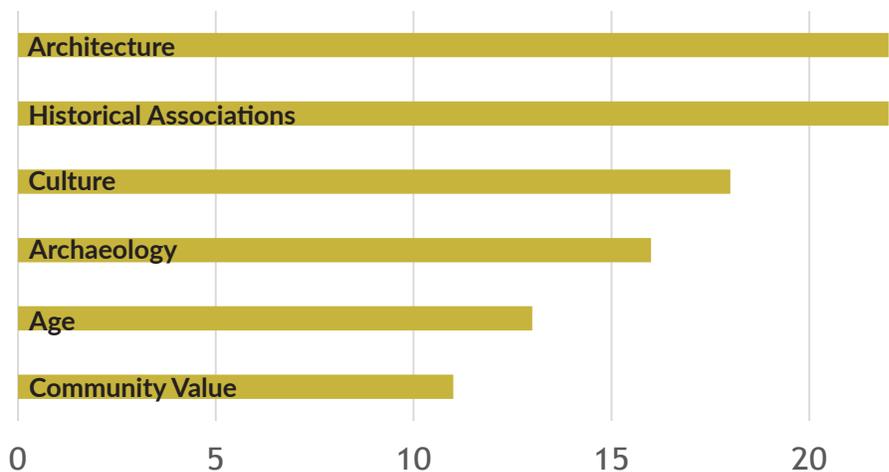
SOURCE: OCA historic preservation benchmark, October 2016

The City's historic preservation activities appear to be similar to those of the benchmarked entities in four of seven areas reviewed. Based on the information provided by the benchmarked entities, the City of Austin's historic preservation activities are similar to those of the benchmarked entities in the areas of historic designation criteria, commission/board training requirements, commission/board meeting frequency, and support provided to the applicants seeking historic district designations.

Designation Criteria

The City of Austin’s historic designation criteria appears to be significantly consistent with many of benchmarked entities’ criteria. The City of Austin uses the following designation criteria: age; architecture; historical associations; archeology; community value; and landscape features. We noted six principal criteria used by at least one of the entities that we reviewed. The criteria includes broad categories of architectural, archaeological, cultural, historical, and community value significance as well as property age. Austin is the only city that has identified “Community Value” as a key significance criterion. However, 10 other entities have included some aspects⁶ of community value as part of their designation criteria. As shown below, all entities use the architectural and historical significance criteria. The City of Austin uses all criteria shown in the chart.

Exhibit 7: Number of entities using each criterion



SOURCE: OCA historic preservation benchmark, October 2016

Training

Austin and a majority of other entities do not require commission members to attend training on historic preservation

Commission/Board Members Training Requirements

Austin and the majority of the entities surveyed do not require the commission/board members to attend training on historic preservation. Staff in 15 (68%) of the 22 entities (including Austin) noted that they do not require members of their commissions/boards to attend training on historic preservation. Seven (32%) of the 22 entities indicated that they require members of their commissions/boards to attend training relevant to historic preservation. Based on the issue noted in the HLC survey discussed above, this is an area that would benefit the City especially in clarifying the designation criteria. Planning and Zoning management and staff also indicated a need for training of HLC members on matters relating to historic designations.

Meeting Frequency

Austin and a majority of other entities’ commissions/boards meet once a month

Commission/Board Meeting Frequency

The commissions/boards for the majority of the entities (including Austin) meet once a month, with some meeting more frequently. Sixteen (73%) of the 22 entities (including Austin) indicated that their commissions/boards meet once a month. Six (27%) of 22 entities have commissions/boards that meet at least twice a month.

⁶ Based on the City of Austin’s definition for the Community Value criteria.

Applicant Support

Austin and a majority of other entities provide some or no support to district designation applicants

Support Provided to Applicants Seeking Local Historic Designation

The City of Austin and the majority of the entities reviewed indicated that they require neighborhoods seeking local historic district designation perform all necessary work to support the need of designation of a local historic district. However, some entities indicated that they provide significant assistance to neighborhoods seeking historic district designations. Seven (35%) of 20 entities indicated that they provide assistance such as performing necessary research and outreach. Thirteen (65%) of 20 entities (including Austin) indicated that they provide no support or minimal support such as reviewing the applications for completeness. Although the City of Austin is not required to perform surveys to support local historic designations, it commissioned an East Austin Historical Survey in November 2015. The survey proactively evaluated buildings in East Austin to identify potential buildings that could meet City's historic designation criteria.

The City's historic preservation activities differ from those of the benchmarked cities in three of seven areas reviewed. Based on information provided by the benchmarked entities the City of Austin's historic preservation activities differ from those of the benchmarked entities for the timeframe for when backup information is provided to the commission/board members, commission/board member qualification requirements, and legal support during commission/board meetings.

Backup Schedule

Austin provides backup information to its commission/board later than the majority of entities reviewed

Timeframe When Backup Information is Provided to the Commission/Board Members

The timeframe between when backup information is provided and the actual meeting varied among the entities and Austin's 3 day timeframe (72 hours) is shorter than the majority of the benchmarked entities. The timeframes for meeting materials ranged from 3 days to 9 days before a meeting. Austin and five other entities provide backup information to their commission/board 3 days before the commission/board meeting. Fifteen (71%) of the 21 entities indicated that they provide backup information between 3.5 days and 9 days before the meeting. One entity stated that staff send out a preliminary agenda to the historic commission members two weeks in advance with limited description of the issues to be discussed. Commission members may call in advance and ask for additional information.

Commission Member Qualifications

Austin has only recommended qualifications for commission/board members, while a majority of other entities have required qualifications

Commission/Board Member Qualification Requirements

Staff in 20 (91%) of the 22 entities indicated that they have minimum qualification requirements for their commissions/boards. The City of Austin and another entity have only recommended qualifications for the commissions/boards. The City of Austin's Code identifies eight preferred qualifications for the HLC members.⁷ According to the HLC Chairperson, while the current HLC members collectively possess five of

⁷The City Code recommends Council to consider appointing the following as members of the HLC: Heritage Society of Austin Member, Architect, Attorney, Real Estate Professional, Structural Engineer, Residential Historic Landmark owner, owner of a commercial historic landmark.

the recommended qualifications, it does not currently have a structural engineer.

Legal Support

A majority of entities reviewed have legal staff at each commission/board meeting, while Austin does not

Legal Support During Commission/Board Meetings

Staff in 11 (52%) of 21 entities interviewed (including Austin) indicated that they have a legal staff at each of their historic commission/board meetings to provide legal guidance and answer questions. Staff in one (5%) of the 21 entities stated that they have a lawyer as a member of their commission. Nine (43%) of the 21 entities, including Austin, indicated that legal staff are not required to attend the commissions/board meetings, but are available to provide legal support upon request.

Additional Observations

Personnel issues: Personnel issues within the HPO may affect the office's ability to effectively and efficiently manage its assigned duties and responsibilities. In the 2010 Historic Landmark Commission Audit, OCA noted a lack of coordination among HPO staff, which could potentially impede their ability to effectively serve the Historic Landmark Commission. During this audit we have noted that this situation still exists.

Historic Landmark Commission caseload and staffing of the Historic Preservation Office: We compared the City of Austin's Historic Landmark Commission caseload and the Historic Preservation Office staffing levels with those of 9 other entities. Based on the survey results, the City of Austin's Historic Landmark Commission has the second highest historic landmark commission caseload per meeting. Average number of cases per commission/board meeting (including Austin) is approximately 22 cases. The number of cases per meeting ranged between 10 to 35 cases. The Austin Historic Landmark Commission handles an average of 32 cases per meeting. In addition, the City of Austin has one of the lowest full-time employee staffing levels for the Historic Preservation Office. According to the survey results, the average full-time equivalent (FTE) staffing (including Austin) is approximately 6 FTEs. Staffing levels range between 3 FTEs to 19 FTEs. According to Planning and Zoning Department management, there are 4 FTE positions approved for the Historic Preservation Office. However, at the time of this audit one position was vacant.

Recommendations and Management Response

1

The Director of the Planning and Zoning Department should improve the current process for collection of fees for historic property preservation activities by:

- a) clearly defining roles and responsibilities for collection of fees;
- b) communicating these roles and responsibilities to HPO staff;
- c) establishing a process to verify that all fees are collected; and
- d) establishing accountability to ensure that the process is followed.

Management Response: Concur

Proposed Implementation Plan: HPO staff will invoice for all fees. Staff will work with DSD staff to have all fees collected by the cashier. Collection of fees will be verified in a manner determined by DSD and in accordance with City of Austin Administrative Bulletin "Cash Handling Policy" #92-02. These procedures will be provided in a training manual currently underway.

Proposed Implementation Date: Winter 2018

2

The Director of the Planning and Zoning Department should develop and implement a process to document evidence of review and justification for administrative approval of alteration, demolition, or relocation cases, and ensure that status for all cases is consistently tracked.

Management Response: Concur

Proposed Implementation Plan: Staff is in the process of working through DSD IT and CTM staff to establish all Historic Preservation processes in AMANDA including justification. This would provide a date of review and a consistent avenue to track case status both for staff and the public.

Proposed Implementation Date: Winter 2018

3

The Director of the Planning and Zoning Department should improve the existing process for inspecting historic designated properties by:

- a) ensuring that all designated properties are periodically inspected;
- b) consistently documenting inspection results;
- c) establishing and communicating criteria for inspection ratings; and
- d) maintaining documentation of citizen complaints and actions taken by staff to address the complaints.

Management Response: Concur

Proposed Implementation Plan:

- a) In an effort to reduce the load on HPO staff, roughly 25% of the designated properties will be inspected each quarter. Schedule will be communicated to property owners.
- b) Staff will simplify the form making it easier to complete.
- c) Established criteria will be communicated to staff inspecting the properties.
- d) HPO Staff will work with 311 to document citizens' complaints regarding properties requesting tax exemption. The process for all other types of complaints is under evaluation by staff.

Proposed Implementation Date: Winter 2018

4

The Director of the Planning and Zoning Department should work with Historic Landmark Commission members to identify:

- a) training needs to assist Historic Landmark Commission members in performing their role;
- b) a timeframe that will allow Historic Landmark Commission members to adequately review back-up information; and
- c) how to better meet the Historic Landmark Commission's desire for additional legal support.

Management Response: Concur

Proposed Implementation Plan:

- a) Staff will schedule training through this year once new appointees have been confirmed. Funding to provide this training every 2 years will be included in the Department's budget.
- b) Timing of draft agenda and backup distribution to Commissioners is under evaluation by staff.
- c) Law Department has agreed to provide legal support in the same manner as it is provided to the Land Use Commissions.

Proposed Implementation Date: Summer 2017

Management Response



City of Austin

Founded by Congress, Republic of Texas, 1839
Planning and Zoning Department
One Texas Center, 505 Barton Springs Road
P.O. Box 1088, Austin, Texas 78767

MEMORANDUM

To: Corrie Stokes, City Auditor
Office of the Auditor

From: Gregory I. Guernsey, AICP, Director of Planning and Zoning Department *GG*

Subject: Planning and Zoning Department response to the Audit of Historic Preservation

Date: February 3, 2017

I have reviewed the City Auditor's Audit of Historic Preservation and concur with all of its recommendations. Please see attached document with the responses to each recommendation and sub-bullet.

Feel free to give me a call if you have any questions or concerns, 974-2387

CC: Elaine Hart, Interim City Manager and Sue Edwards, Assistant City Manager

ACTION PLAN

Historic Preservation Program Audit

Recommendation	Concurrence and Proposed Strategies for Implementation	Status of Strategies	Proposed Implementation Date
<p>1. The Director of the Planning and Zoning Department should improve the current process for collection of fees for historic property preservation activities by:</p> <ul style="list-style-type: none"> a) clearly defining roles and responsibilities for collection of fees; b) communicating these roles and responsibilities to HPO staff; c) establishing a process to verify that all fees are collected; and d) establishing accountability to ensure that the process is followed. 	<p>Concur HPO staff will invoice for all fees. Staff will work with DSD staff to have all fees collected by the cashier. Collection of fees will be verified in a manner determined by DSD and in accordance with City of Austin Administrative Bulletin "Cash Handling Policy" #92-02. These procedures will be provided in a training manual currently underway.</p>	<p>Underway</p>	<p>Winter 2018</p>
<p>2. The Director of the Planning and Zoning Department should develop and implement a process to document evidence of review and justification for administrative approval of alteration, demolition, or relocation cases, and ensure that status for all cases is consistently tracked.</p>	<p>Concur Staff is in the process of working through DSD IT and CTM staff to establish all Historic Preservation processes in AMANDA including justification. This would provide a date of review and a consistent avenue to track case status both for staff and the public.</p>	<p>Underway</p>	<p>Winter 2018</p>

Recommendation	Concurrence and Proposed Strategies for Implementation	Status of Strategies	Proposed Implementation Date
<p>3. The Director of the Planning and Zoning Department should improve the existing process for inspecting historic designated properties by:</p> <ul style="list-style-type: none"> a) ensuring that all designated properties are periodically inspected; b) consistently documenting inspection results; c) establishing and communicating criteria for inspection ratings; and d) maintaining documentation of citizen complaints and actions taken by staff to address the complaints 	<p>a): Concur In an effort to reduce the load on HPO staff, roughly 25% of the designated properties will be inspected each quarter. Schedule will be communicated to property owners.</p> <p>b): Concur Staff will simplify the form making it easier to complete.</p> <p>c): Concur Established criteria will be communicated to staff inspecting the properties.</p> <p>d): Concur HPO Staff will work with 311 to document citizens' complaints regarding properties requesting tax exemption. The process for all other types of complaints is under evaluation by staff.</p>	<p>a) Underway</p> <p>b) Underway</p> <p>c) Underway</p> <p>d) Planned</p>	<p>Spring 2017</p> <p>Spring 2017</p> <p>Summer 2017</p> <p>Winter 2018</p>

Recommendation	Concurrence and Proposed Strategies for Implementation	Status of Strategies	Proposed Implementation Date
<p>4. The Director of the Planning and Zoning Department should work with Historic Landmark Commission members to identify:</p> <ul style="list-style-type: none"> a) training needs to assist Historic Landmark Commission members in performing their role; b) a timeframe that will allow Historic Landmark Commission members to adequately review back-up information; and c) how to better meet the Historic Landmark Commission's desire for additional legal support. 	<p>a): Concur Staff will schedule training through this year once new appointees have been confirmed. Funding to provide this training every 2 years will be included in the Department's budget.</p> <p>b): Concur Timing of draft agenda and backup distribution to Commissioners is under evaluation by staff.</p> <p>c): Concur Law Department has agreed to provide legal support in the same manner as it is provided to the Land Use Commissions.</p>	<p>a) Underway</p> <p>b) Underway</p> <p>c) Completed</p>	<p>Summer 2017</p> <p>Summer 2017</p> <p>January 2017</p>

Appendix - Summary of Benchmarking Results

Cities	Land area (sq mi)	Population (2010 Census)	Landmarks	Districts	How many days before a meeting is back up information provided?	Is legal support available?	Designation Criteria	Assistance to designation applicants?	Qualification requirements for commission members?	Training requirements for commission members?
Austin	297.9	790,290	604	3	3	On request	Age, Architecture, Historical Associations, Archeology, Culture, Community Value, Landscape	Some	No	No
Brownsville	132.33	175,023	112	1	7	One lawyer member	Age, Architecture, Historical Associations, Archeology, Culture, Community Value	Some	Yes	No
Dallas	340.52	1,197,816	128	20	4	Designated attorney attends all meetings	Age, Architecture, Historical Associations, Archeology, Culture, , Community Value, Visual Features, Historic Education, State/ Federal Designation	Significant	Yes	Yes
El Paso	255.24	649,121	No response	9	4	Designated attorney attends all meetings	Architecture, Historical Associations, Archeology, Culture, Community Value, State/Federal Designation	Some	Yes	No
Fort Worth	339.82	741,206	248	14	3	Designated attorney attends all meetings	Architecture, Historical Associations, Archeology, Culture, Community Value	None	Yes	Yes
Houston	599.59	2,099,451	433	22	6	Designated attorney attends all meetings	Age, Architecture, Historical Associations, Archeology, Culture, Community Value	Some	Yes	No

Cities	Land area (sq mi)	Population (2010 Census)	Landmarks	Districts	How many days before a meeting is back up information provided?	Is legal support available?	Designation Criteria	Assistance to designation applicants?	Qualification requirements for commission members?	Training requirements for commission members?
New Braunfels	43.87	57,740	287	4	4	On request	Architecture, Historical Associations, Archeology, Culture, Visual Feature	Significant	Yes	No
San Antonio	460.93	1,327,407	1500+	27	3	Designated attorney attends all meetings	Age, Architecture, Historical Associations, Archeology, Culture, Community Value, Visual Feature, State/Federal Designation	Some	Yes	No
Waxahachie	47.65	29,621	200	1	6	On request	Age, Architecture, Historical Associations, Archeology, Culture, Visual Feature	N/A	Yes	No
Boulder, CO	24.66	97,385	175	10	No response	Designated attorney attends all meetings	Architecture, Historical Associations, Archeology, Culture, Community Value, Environment	Significant	Yes	No
Charleston, SC	108.98	120,083	27	2	9	On request	Age, Architecture, Historical Associations, Culture	Some	Yes	No
Charlotte, NC	297.68	731,424	N/A	6	6	Designated attorney attends all meetings	Age, Architecture, Historical Associations, Archeology, Culture	Some	Yes	No
Mecklenberg County, NC	523.84	919,628	370	N/A	7	Designated attorney attends all meetings	Architecture, Historical Associations, Archeology, Culture	N/A	No	Yes
Fredericksburg, VA	10.44	24,286	N/A	1	7	On request	Age, Architecture, Historical Associations	Some	Yes	No

Cities	Land area (sq mi)	Population (2010 Census)	Landmarks	Districts	How many days before a meeting is back up information provided?	Is legal support available?	Designation Criteria	Assistance to designation applicants?	Qualification requirements for commission members?	Training requirements for commission members?
Huntsville, AL	209.05	180,105	N/A	4	3	On request	Age, Architecture, Historical Associations	Significant	Yes	Yes
Nashville, TN	475.13	601,222	48	7	5	Designated attorney attends all meetings	Architecture, Historical Associations, Archeology, Federal Designation	Some	Yes	Yes
New Orleans, LA	169.42	343,829	324	14	3	Designated attorney attends all meetings	Age, Architecture, Historical Associations, Culture	Some	Yes	No
Portland, OR	133.43	583,776	136	17	7	On request	Architecture, Historical Associations, Archeology, Culture, Community Value	Some	Yes	No
Raleigh, NC	142.9	403,892	162	7	3	No response	Architecture, Historical Associations, Archeology, Culture	Significant	Yes	No
Richmond, VA	59.81	204,214	29	15	5	On request	Age, Architecture, Historical Associations, Culture, Community Value	Significant	Yes	Yes
Rockville, MD	13.51	61,209	35	9	7	Designated attorney attends all meetings	Architecture, Historical Associations, Archeology, Culture, Community Value	Significant	Yes	Yes
Savannah, GA	103.15	136,286	N/A	4	7	On request	Age, Architecture, Historical Associations	Some	Yes	No

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Scope

The audit scope included activities related to the City's historic preservation program from FY 2014 to FY 2016.

Methodology

To accomplish our audit objectives, we performed the following steps:

- interviewed Planning and Zoning staff, Historic Landmark Commission members, and other stakeholders about the City's historic preservation program;
- reviewed City Code, as well as internal policies and procedures relating to the historic preservation program;
- researched criteria related to historic preservation activities;
- reviewed records and case files related to the City's historic preservation activities;
- selected and reviewed a judgmental sample of 30 historic property alteration, demolition, and relocation permit applications to verify if all applicable fees were collected;
- selected and reviewed a judgmental sample of 30 historic properties that were inspected between 2014 and 2016 to verify that staff consistently documented the inspections;
- surveyed all Historic Landmark Commission members about their perceptions of the City's historic preservation program;
- evaluated internal controls related to the City's historic preservation program activities; and
- benchmarked the City's historic preservation program against 21 judgmentally selected entities;
- evaluated the risk of fraud, waste, and abuse with regard to payments for historic property alteration fees.

Audit Standards

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The Office of the City Auditor was created by the Austin City Charter as an independent office reporting to City Council to help establish accountability and improve City services. We conduct performance audits to review aspects of a City service or program and provide recommendations for improvement.

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