

**CERTIFICATE OF APPROPRIATENESS**

**Application Date:** September 30, 2015

**Applicant:** Rob Hellyer, Premier Remodeling & Construction, for Chune Zhang, owner

**Property:** 2006 Decatur Street, Lot 5, Block 418, Baker W R NSBB Subdivision. The property includes a historic 1,080 square foot, one-story wood frame single-family residence and detached garage situated on a 5,000 square foot (50' x 100') interior lot. The detached garage is not classified in the building inventory.

**Significance:** Contributing Queen Anne residence, constructed prior to 1900, located in the Old Sixth Ward Historic District. The HAHC previously denied an application for demolition in September 2011. The house has been vacant and neglected for approximately a decade. The owners received an order in 2010 from Neighborhood Protection (now Department of Neighborhoods) to repair or demolish the house. The current owner purchased the property in November 2014.

**Proposal:** Demolition of a contributing one-story residential structure with the intent to construct a single-family residence on site.

The applicant is claiming both Unreasonable Economic Hardship and Unusual and Compelling Circumstances.

See enclosed application materials and detailed project description on p. 2-23 for further details.

See Attachment A for Application Materials.

See Attachment D for additional application materials submitted October 22, 2015.

**Public Comment:** See Attachment B for materials submitted by the public.

**Civic Association:** Old Sixth Ward Neighborhood Association opposes demolition. See Attachment C.

**Recommendation:** Denial - does not satisfy Criteria 1, 2, or 3 for Unreasonable Economic Hardship and does not satisfy Criteria 1, 2, or 3 for Unusual and Compelling Circumstance.

**HAHC Action:** Denied



been deemed a dangerous building by Department of Neighborhoods and therefore should be demolished. However, a Dangerous Building Administrative Order is actually an order to **repair or demolish** in response to a building’s deteriorated conditions. Demolition is not required; the owner has the option to make repairs to bring the building up to code. In non-historic areas, either repair or demolition will satisfy the order. Contributing structures located in historic districts, however, cannot be demolished without HAHC approval. The Dangerous Building Administrative Order does not supersede the Historic Preservation Ordinance. Because the subject property is located in a historic district, the owner should secure and repair the house in order to comply with the order. Please see page 19 for a timeline on the Dangerous Building order and other permit activity on this property.

There is no dispute that the house needs considerable repair and is not currently in safe or habitable condition. This condition, however, is the result of approximately a decade of illegal demolition by neglect. The Old Sixth Ward was designated in 1998 and made a protected district in 2007. This house has been a contributing structure subject to protections by the historic preservation ordinance, including demolition by neglect provisions, during this time.

Furthermore, there is at least one interested party offering to purchase the property in order to rehabilitate the structure.

- (3) That efforts to find a purchaser or lessee interested in acquiring the property and preserving it have failed; and

According to the application, the owner has not listed the property for sale but will entertain offers. The applicant did not provide any information that any offers have been received. Staff has received confirmation, however, that there is at least one written offer for purchase. The offer is an all-cash offer of \$180,000, the same price the current owner paid for the property in 2014.

- (4) If the applicant is a nonprofit organization, determination of an unreasonable economic hardship shall instead be based upon whether the denial of a certificate of appropriateness financially prevents or seriously interferes with carrying out the mission, purpose, or function of the nonprofit corporation

OR

(d) Determination of the existence of an **unusual and compelling circumstance** shall be based upon the following criteria:

- (1) That current information does not support the historic or archaeological significance of this building, structure or object or its importance to the integrity of an historic district, if applicable;

In the 1880s, the property and structure at 2006 Decatur belonged to Mr. Benjamin A. Riesner, a former alderman of the Fourth Ward North, an area that is now the Sixth Ward. Riesner was instrumental in creating the Sixth Ward from the Fourth Ward. He was also Chair of the National Selective Service Draft Board for World War I and was a leading industrialist, owning a structural steel company that provided many materials to downtown construction projects including the Sabine Street Bridge. He was also the Chief of the Houston Fire Department. Riesner did not live at 2006 Decatur, which was occupied by his brother-in-law, Malcolm Lindsey. Riesner and his family lived on the lot behind it facing Union Street.

The property became notorious in 1887 after an intoxicated Lindsey was shot by Riesner during a scuffle and died in the backyard of 2006 Decatur. Witnesses claimed that Riesner acted in self-defense and he was acquitted at trial. The incident received a lot of press, and during the trial, 2006 Decatur was flooded by curious onlookers. The house and site are significant reminders of the past and contribute greatly to the historic integrity of the historic district.

In 1906, the property, along with the adjacent lot, was sold to Jacob H. and Beatrice Bammel. It is believed that Mr. Bammel, a railroad executive and his wife, the daughter of the wealthy Hearne

family, rotated 2006 Decatur so that they could build their new home at 2004 Decatur. They used the existing house at 2006 Decatur as tenant housing.

Jesse Serena, a native of Mexico, purchased 2006 Decatur in 1946 after returning from World War II. A metal worker by profession, he died in 1976 and his family continued to reside in the house. However, according to the neighborhood, the house has sat mostly vacant from around 2002. The Serena family sold the house to the current owner in 2014.

The house at 2006 Decatur Street was classified as a Contributing Structure in the Old Sixth Ward at the time of Historic District designation. It retains the characteristics of other contributing structures located throughout the district in its scale, massing, design, and detailing. Despite its current condition, upon closer inspection much original material still exists. The cypress clapboard siding and 6-over-6 pane windows with rounded gothic muntin bars, hint at a much earlier house (possibly from the 1880s), that has been reshaped over the passing decades.

Attachment B contains several documents provided by members of the public concerning the architectural history of the building.

- (2) Whether there are definite plans for reuse of the property if the proposed demolition is carried out and what effect such plans have on the architectural, cultural, historical or archaeological character of the surrounding area; and

If demolition is carried out, the intended future use of the property is to construct a new 2,700 square foot residence. The estimated cost to demolish the existing structure and construct the new residence will be \$458,186.00. Because no architectural plans or renderings have been provided to show the proposed appearance of the house, staff is unable to determine the effect any proposed plans would have on the character of the surrounding area.

- (3) Whether reasonable measures can be taken to save the building, structure or object from further deterioration, collapse, arson, vandalism or neglect.

After the owner purchased the property in November 2014, she continued to neglect the structure. The doors and windows were not secured, the holes in the roof were not covered, and the building continued to deteriorate. On June 29, 2015, the City of Houston secured the building by boarding up the windows and doors, and a lien was placed on the house to cover the cost of the work.

The property has received several 'red tags' from Code Enforcement for unpermitted work pertaining to a botched sewer disconnect attempt in July 2015.

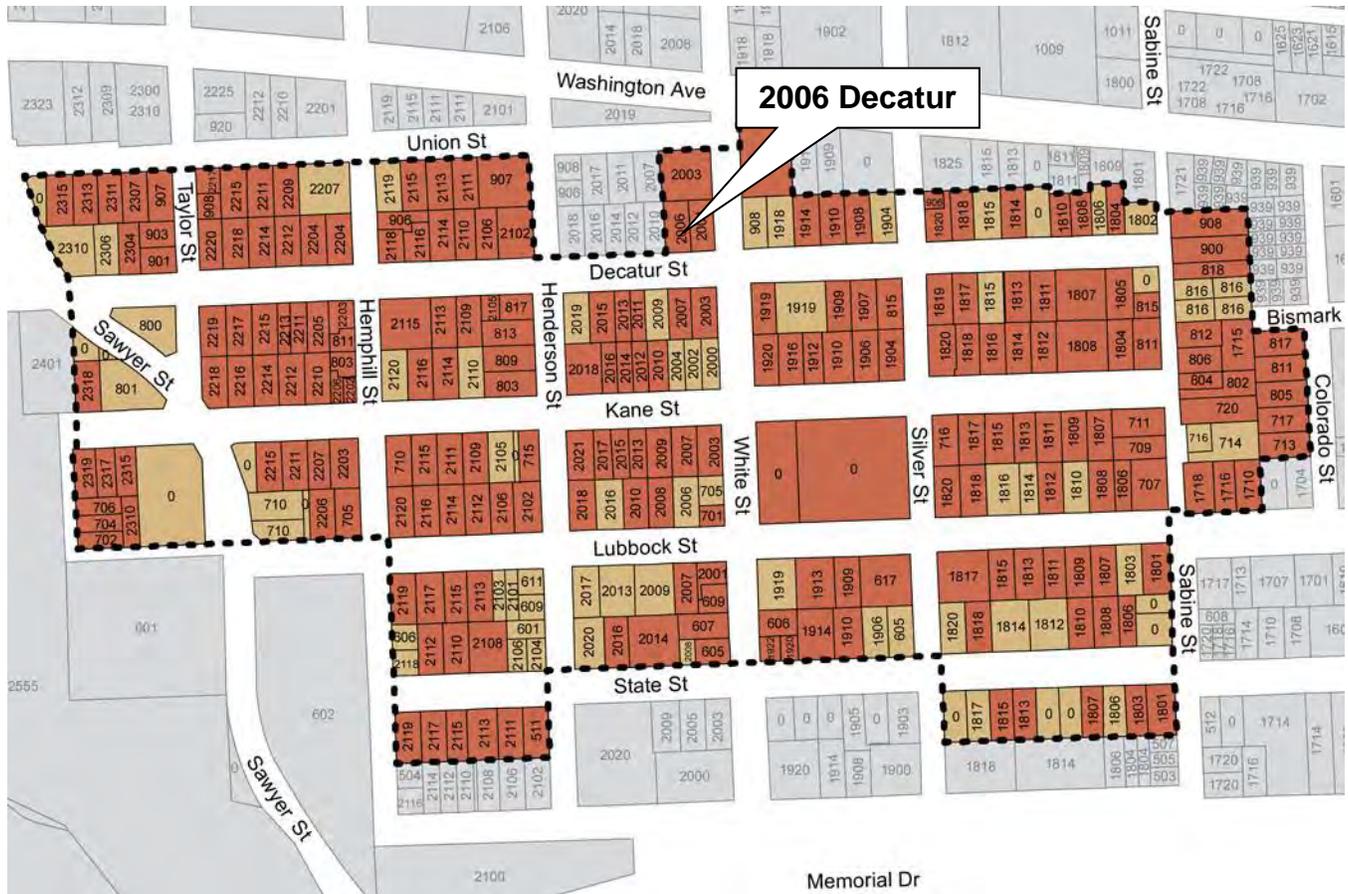
**OLD SIXTH WARD DESIGN GUIDELINES**

- In accordance with Sec. 33-276, the proposed activity must comply with the City Council approved Design Guidelines.

Contributing and potentially contributing structures shall not be demolished, unless they are deemed to be an imminent danger or unless economic hardship can be demonstrated. Refer to the relevant sections in Chapter 33 of the Houston Code, specifically to Section 33-247.



PROPERTY LOCATION  
OLD SIXTH WARD HISTORIC DISTRICT



**Building Classification**

- Contributing
- Non-Contributing
- Park

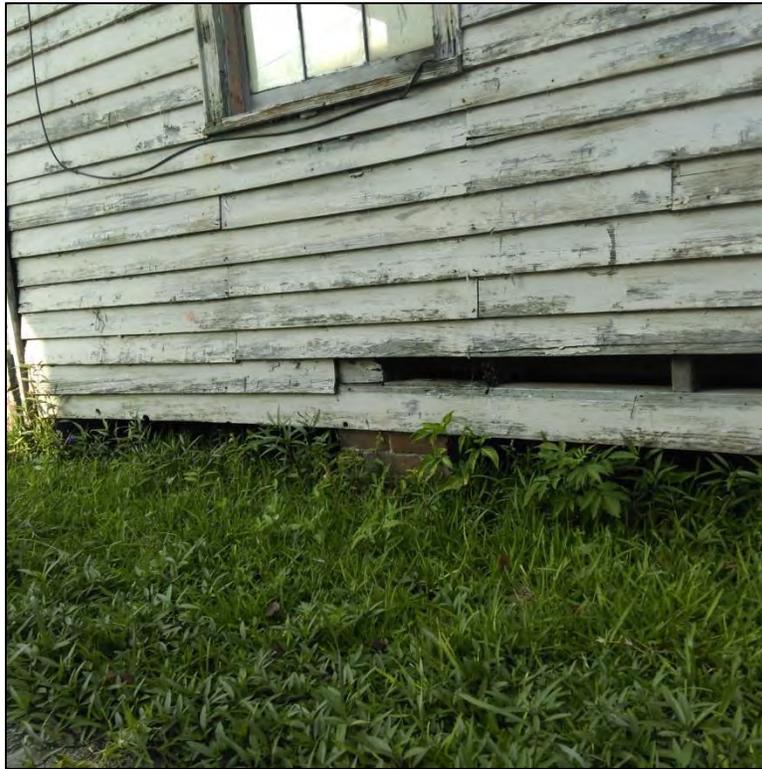
INVENTORY PHOTO



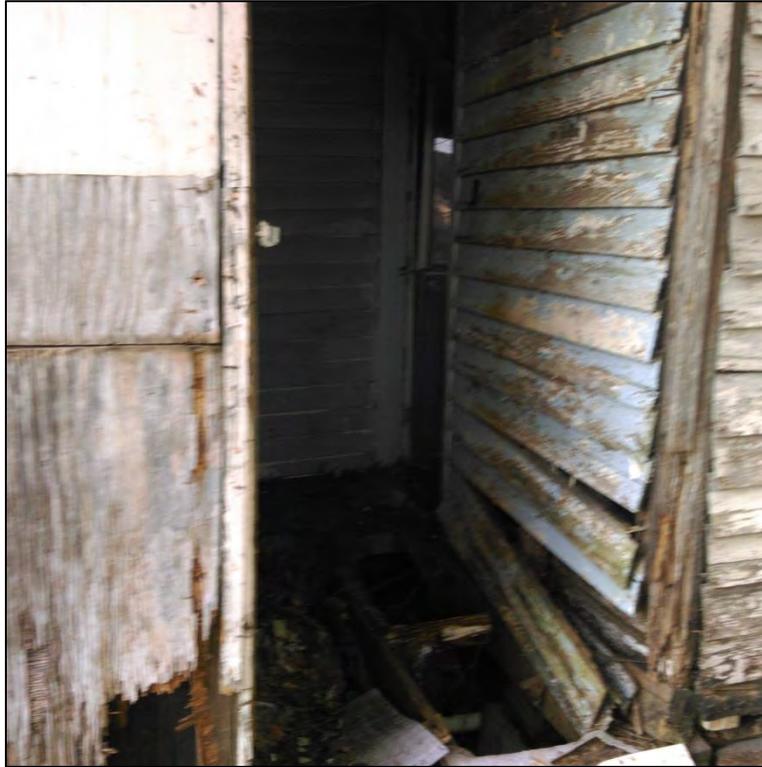
STAFF PHOTOS 10-2015



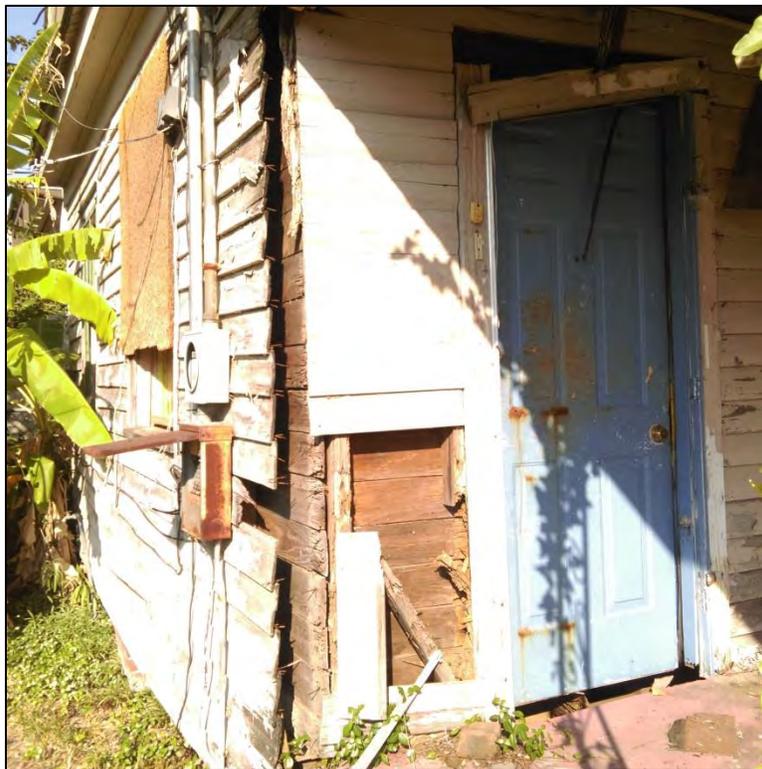
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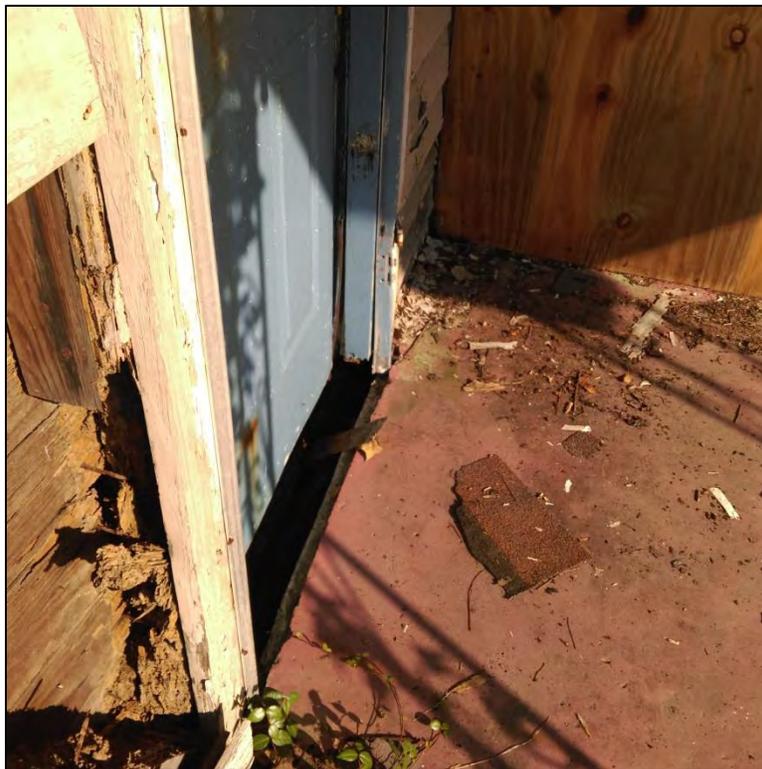
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STAFF PHOTOS 11-2014



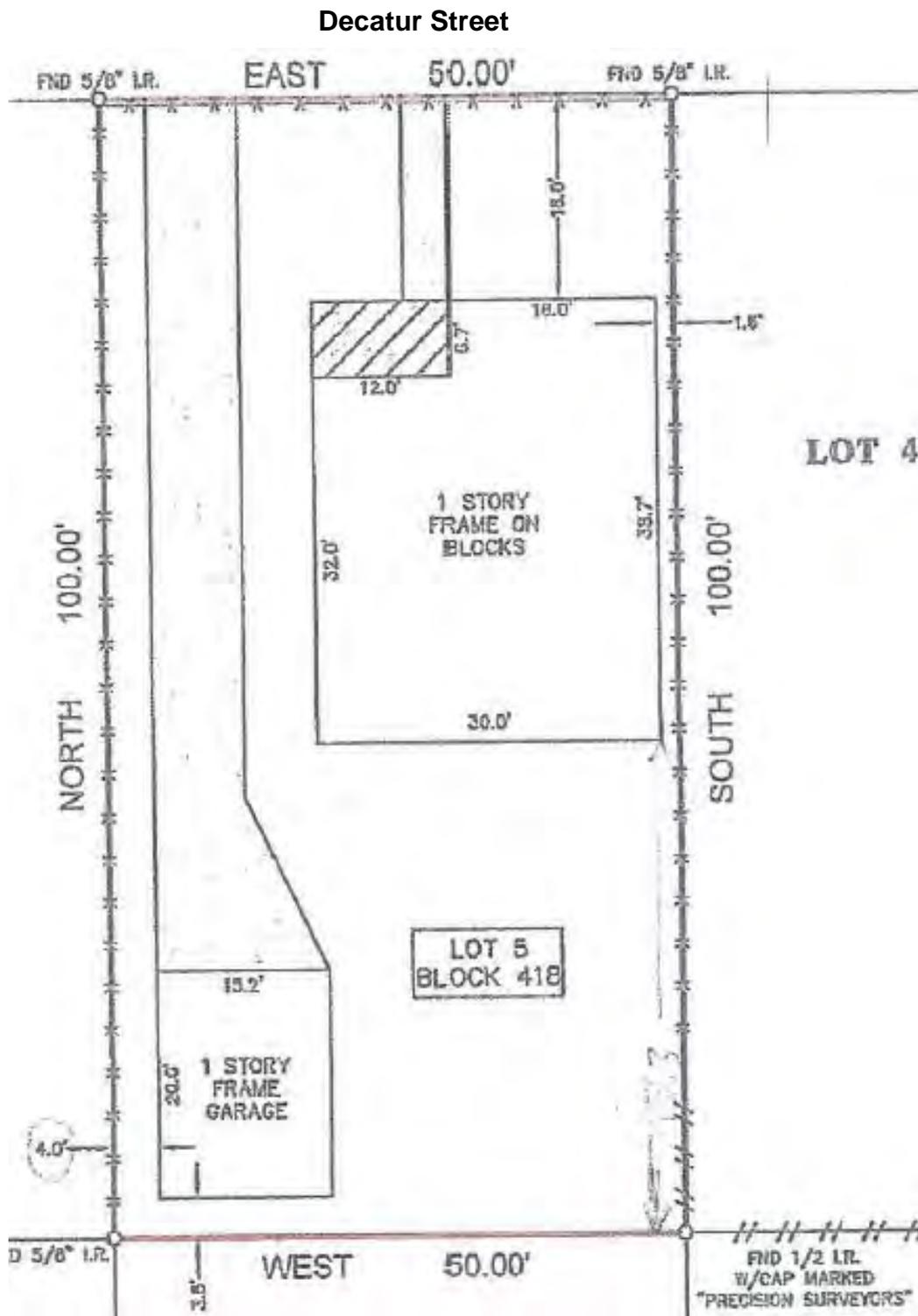
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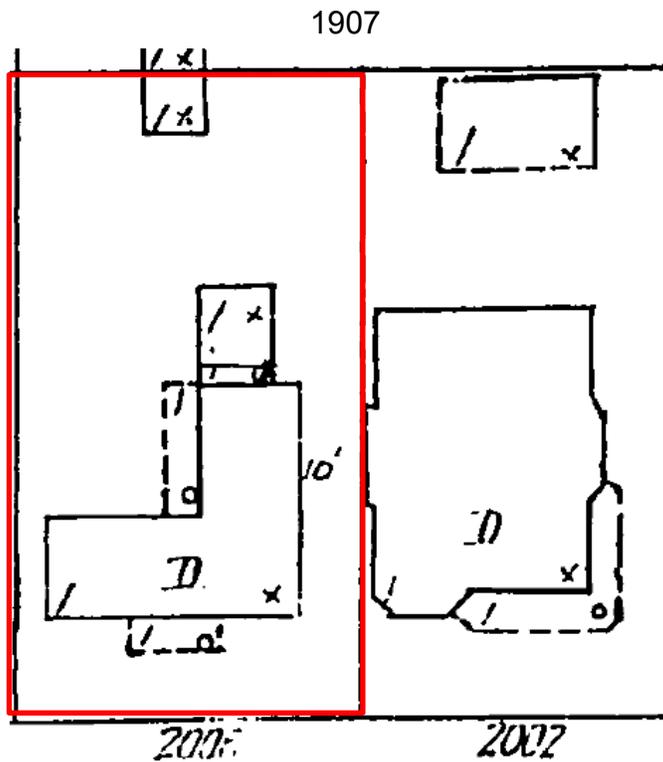
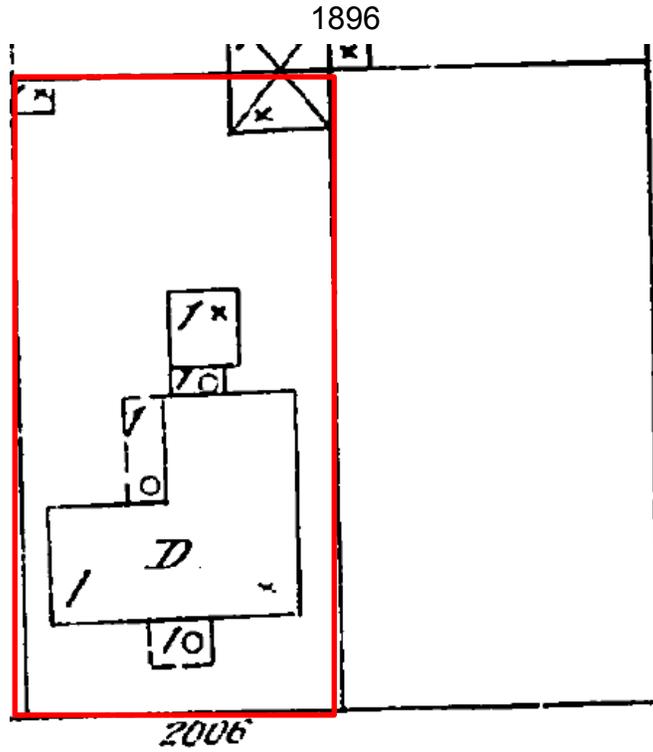
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PROPERTY SURVEY

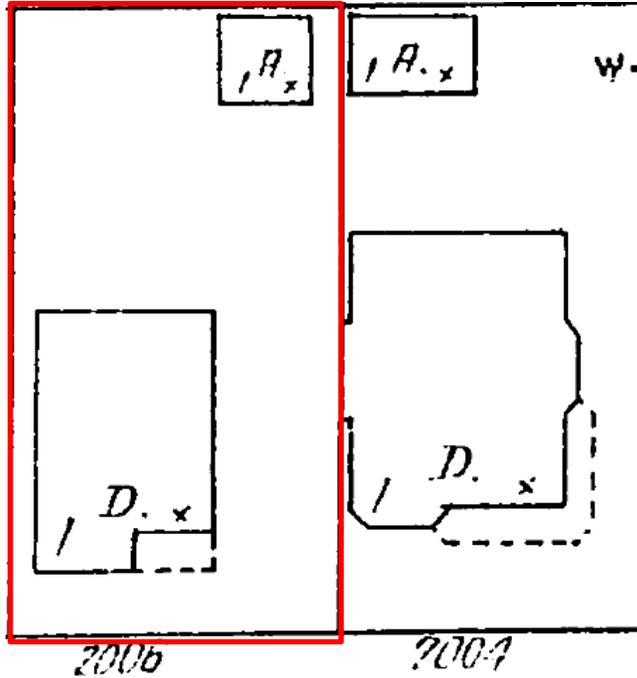


SANBORN FIRE INSURANCE MAPS

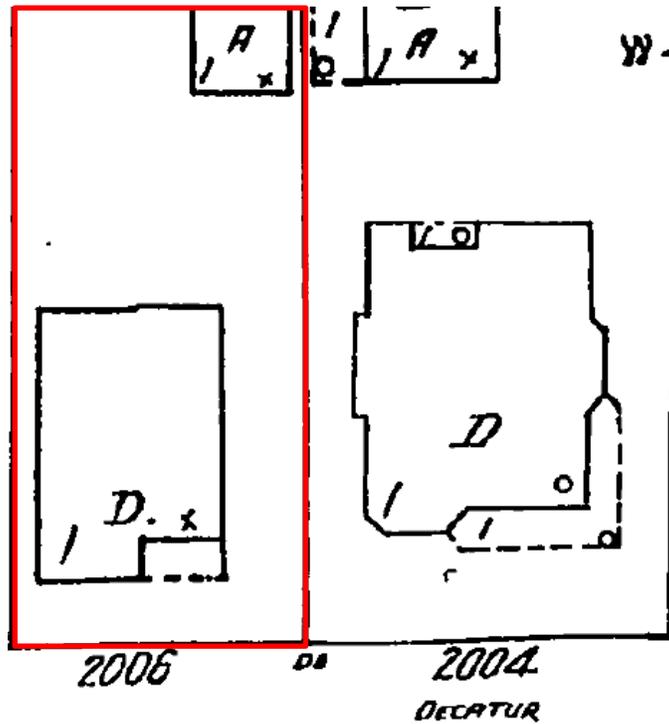


SANBORN FIRE INSURANCE MAPS

1924 – FEB 1950



1924 – FEB 1951



### DANGEROUS BUILDING ADMINISTRATIVE ORDER TIMELINE

September 30, 2010: The primary residence and detached garage were deemed to be dangerous buildings and a Dangerous Building Administrative Order to Secure, Repair, or Demolish was issued to the owner at a hearing. The order expired 30 days later on October 30, 2010, with no action from the property owner.

The Houston Building Codes stipulates that, as a dangerous building, the following action shall be taken in regard to this building or structure:

1. The building or structure shall be posted as a dangerous building in accordance with the Code of Ordinance, Houston, Texas
2. The owner must immediately ensure that the building or structure will not be entered or utilized by vagrants, children or other unauthorized persons until such time that the building or structure is repaired and occupied or demolished and a Certificate of Compliance issues showing compliance with all applicable Laws, Ordinances and Codes of the City of Houston. The owner may choose the method to ensure this (see item 3 for permit requirements) with the understanding that proof of unauthorized entry will be evidence of failure to comply with this Order under the Code of ordinances, Houston, Texas, in which case the City of Houston may cause such building to be vacated, secured, repaired and/or demolished, pursuant to this order.
3. The City of Houston Building Code requires a permit for buildings or structures to be repaired or demolished.

November 2014: Chune Zhang purchased the property from the Estate of Jesse Serena.

June 24, 2015: The current owner, Chune Zhang, applied for an extension of the expired Dangerous Building Administrative Order. The request was granted for a 120 day extension to expire on October 23, 2015. An unexpired Dangerous Building Order is required in order to purchase any permits, whether for repair or demolition.

June 29, 2015: The City secured the building by boarding up the windows and doors. The City then placed a lien on the property for \$2,485.

July 1, 2015: The owner applied for a demolition permit but was unable to purchase it because of the historic district hold.

July 9, 2015: A complaint was received from neighbors that the owner had attempted to disconnect the sewer, the first step in a demolition, without any permits. The property received several Red Tags for this unpermitted work pertaining to the botched sewer disconnect attempt.

RED TAGS



**APPLICATION MATERIALS REVIEW & SUMMARY**

SEC. 33-247(b)

**(1) A certified appraisal of the value of the property conducted by a certified real estate appraiser:**

The applicant submitted an appraisal dated Sept 28, 2015 that indicates a property value of \$213,500. The appraisal notes that “the presence of the subject’s historic structure causes an economic hardship on its owners as a loss in value.” The appraisal also states that the improvements do not have “any contributory value due to their dilapidated, hazardous and unsuitable condition. The subject improvements are not considered to add any contributory value to the subject property,” and furthermore, “this condition is caused by the adverse effect on value by the restrictions placed on the subject improvements by the City of Houston Historic Preservation Ordinance of October 2010.”

The appraised value was based on adjusted comparable houses within the Old Sixth Ward Historic District neighborhood. The comparable properties used were 2315 Union Street, 1912 Kane Street, and 2211 Kane Street.

See Application Materials, Attachment A, p 18-33.

**(2) The assessed value of the land and improvements thereon according to the two most recent assessments unless the property is exempt from local property taxes:**

HCAD Appraised Value

2015: \$180,529

2014: \$171,000

**(3) All appraisals obtained by the owner in connection with the acquisition, purchase, donation, or financing of the property, or during the ownership of the property:**

The owner purchased the property in Nov 2014 for ‘lot value’ without an appraisal or inspection. For this demolition application, she submitted an appraisal dated Sept 28, 2015.

No additional appraisals were provided other than the appraisal described above in item 1.

**(4) All listings of the property for sale or rent that are less than a year old at the time of the application:**

The previous owners had the property ‘for sale by owner’ from the time they were denied a COA for demolition in 2011 until Ms. Zhang purchased in November 2014. The current owner has not listed the property for sale but has indicated that she will entertain offers. Staff has information that there have been several interested buyers, and at least one has made a written offer.

According to the applicant, at the time of preparing the demolition application, a potential purchaser, Dominic Yap of FW Heritage, indicated that he was interested in purchasing the property. Mr. Yap met with the applicant to inspect the house but declined to make an offer because his offer would be lower than the owner’s original 2014 buying price.

The applicant has stated that Ms. Zhang purchased the property with the intent of building a new home in which she and her son would reside.

See application materials, Attachment A, p 62.

**(5) Evidence of any consideration by the owner of uses and adaptive reuses of the property:**

The current use of the structure is for single-family use, which would continue being the most appropriate use.

The applicant claims that, due to the fact that the City of Houston has declared the home and garage to be

dangerous buildings, there are no other adaptive reuses available; claiming that it isn't even safe to use them for storage. According to the applicant, as the house is in disrepair, any future use would require significant rehabilitation to bring it up to code. The applicant has submitted an estimate detailing the cost of the proposed work.

See application materials, Attachment A, p 62. Information on the Dangerous Building Administrative Order can be found in Attachment A, p 34-51.

**(6) Itemized and detailed rehabilitation cost estimates for the identified uses or reuses, including the basis of the cost estimates:**

The itemized and detailed rehabilitation cost estimate provided by the applicant is \$393,861.60 (a subtotal of \$358,056.00 and a 10% contingency of \$35,805.60).

However, this grand total of the rehabilitation work includes items that should not be considered eligible costs, including appliances, cabinetry, countertops, concrete site work, and the costs of acquisition. With the removal of these items, the grand total is reduced by \$81,345.00 to \$312,516.60 (a subtotal of \$284,106 and a 10% contingency of \$28,410.60).

Cost estimates determined by staff indicate a potential gain of approximately \$57,923.

Rehabilitation

	<u>Rehabilitation</u>	\$/sq.ft.
Square footage	1,080.00	
Estimated construction costs	\$ 312,517.00	\$289.37
Total all-in costs	\$ 312,517.00	\$317.15
After-construction-value(per certified appraisal average of comps)	\$ 370,440.00	\$343.00
Net Gain/(loss)	\$ 57,923.00	

See application materials, Attachment A, p 52-61.

**(7) A comparison of the cost of rehabilitation of the existing building with the demolition of the existing building and the construction of a new building:**

The applicant submitted the following table showing the comparison of rehabilitation and new construction:

Rehabilitation vs. Construction analysis

	<u>Rehabilitation</u>	\$/sq.ft.	<u>New Construction</u>	\$/sq.ft.
Square footage	\$ 1,080.00		\$ 2,700.00	
Purchase price	\$ 180,000.00		\$ 180,000.00	
Other owner expenses	\$ 30,000.00		\$ 30,000.00	
Cost to date	\$ 210,000.00		\$ 210,000.00	
Estimated construction costs	\$ 393,862.00	\$364.69	\$ 458,286.00	\$169.74
Total all-in costs	\$ 603,862.00	\$559.13	\$ 668,286.00	\$247.51
After-construction-value(per certified appraisal average of comps)	\$ 370,440.00	\$343.00	\$ 926,100.00	\$343.00
Net Gain/(loss)	\$ (233,422.00)		\$ 257,814.00	
Cost to rebuild the existing home new	\$ 183,314.40			

The itemized and detailed rehabilitation cost estimate is \$393,861.60. The itemized and detailed cost estimate for the construction of a new 2,700 square foot residence is \$458,286.00. Upon close review of the itemized

lists, staff found several inconsistencies which tended to increase the cost for rehabilitation, including increased:

- Framing and decking labor costs
- Siding, sheathing, and cornice labor costs
- Electric service panel cost
- Sheetrocking costs
- Washer and dryer costs
- Dishwasher costs
- Fencing costs

There was also a lack of itemized plumbing details for the new construction.

As mentioned above, the grand total of the rehabilitation work also includes items that should not be considered eligible costs, including appliances, concrete, cabinetry, and countertops. With the removal of these items, the grand total is reduced by \$81,345.00 to \$312,516.60

The applicant asserts that there will be deficit of \$233,422.00 in rehabilitating the existing structure while construction of a new 2,700 square foot residence will result in a gain of \$257,814.00. Additionally, according to the applicant, reconstructing the current house as new would cost \$183,314.00.

Furthermore, many of the numbers in the above table are not comparable due to the fact that the existing structure is 1,080 square feet and the proposed new construction would be 2,700 square feet; a difference of 1,620 square feet.

See application materials, Attachment A, p 52-61.

**(8) Complete architectural plans and drawings of the intended future use of the property, including new construction, if applicable:**

The intended future use of the property is to construct a new 2,700 square foot residence. The estimated cost to demolish the existing structure and construct the new residence will be \$458,186.00. No architectural plans or renderings have been provided to show the proposed appearance of the house.

See application materials, Attachment A, p 52-61.

**(9) Plans to salvage, recycle, or reuse building materials if a certificate of appropriateness is granted:**

Although the owner states she is interested in salvaging any and all materials that may be able to be saved, no contract has been made nor organizations contacted to properly remove the historic material that may be present on site.

The owner has indicated that she would consider using some salvaged materials in the new residence, including some of the wood flooring.

See application materials, Attachment A, p 62.

**(10) An applicant who is a nonprofit organization shall provide the following additional information:**

Not Applicable