

CERTIFICATE OF APPROPRIATENESS

Application Date: March 1, 2017

Applicant: Alex Ridgway, Brickmoon Design, for Kemp and Diane McMillan, owners

Property: 1336 Tulane St, Lot 32, Block 174, Houston Heights Subdivision. The property includes a historic 864 square foot, one-story wood frame single-family residence situated on a 4,356 square foot (33' x 132') interior lot.

Significance: Contributing Folk Cottage residence, constructed circa 1915, located in the Houston Heights Historic District West. The residence has two early additions dating to ca. 1925 and ca. 1937.

Proposal: Demolition – Residence – Demolish 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 Applicant Materials Review and Summary on p. 19-20 for further details.

Public Comment: Three opposed. Please see Attachment C.

Civic Association: No comment received.

- Attachments:**
- A: Application Materials
 - B: Assessing Economic Hardship Claims
 - C: Public Comment
 - D: Harris County Archive Records

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

HAHC Action: Deferred

APPROVAL CRITERIA

**DEMOLITION OF A LANDMARK, PROTECTED LANDMARK,
CONTRIBUTING STRUCTURE, OR WITHIN AN ARCHAEOLOGICAL SITE**

Sec. 33-247(a): The issuance of a certificate of appropriateness for the demolition of a landmark, a protected landmark, or a contributing structure, or for the demolition of a building, structure or object on or in an archaeological site shall be granted only if (1) The building, structure, or object has seriously deteriorated to an unusable state and is beyond reasonable repair; and (2) The HAHC finds, based on the preponderance of credible evidence presented subject to the establishment by the applicant, the existence of an unreasonable **economic hardship under subsection (c)** of this section or the establishment of an **unusual and compelling circumstance pursuant to subsection (d)** of this section.

(c) Determination of the existence of an **unreasonable economic hardship** shall be based upon the following criteria:

S D NA

S - satisfies D - does not satisfy NA - not applicable

(1) That the property is incapable of earning a reasonable return, regardless of whether the return is the most profitable return, including without limitation, regardless of whether the costs of maintenance or improvement of the property exceed its fair market value;

The owner purchased the property in July 2016 for \$263,000, as indicated in a February 2017 appraisal. The two most recent restricted appraisals, dated June 2016 and February 2017 value the property at \$263,000 and \$272,000, each of which valued the property as if vacant.

The applicant chose not to have an inspection to assess the existing condition before purchasing 1336 Tulane. Only after the property was purchased for the full price did the property owner view the residence and decide to apply for demolition. The residence was inhabited prior to purchase and has since been left vacant and unsecured, until recently, causing further deterioration. Without the initial inspection, it is unclear how much damage existed and how much has occurred after purchase. If the current need for the extent of the repairs existed at the time of purchase, the applicant should have negotiated an appropriate purchase price with consideration for the costs of repairs since the structure is protected and is not allowed to be torn down.

The applicant maintains that the property is incapable of earning a reasonable return in its current state. From the site visit with the structural senior inspector on December 2, 2016, staff found that the structure had significant foundation issues as well deteriorating windows and siding that need to be addressed. However, the applicant has provided only two estimates regarding costs for repairing or improving the structure. Ridgewater Homes, which specializes in new builds, estimated that the cost to replicate the structure, not repair, with in-kind materials would cost \$195 per square foot, but gave no basis for the estimate. Houston Heights Roofers stated that, if the foundation were repaired, the estimated cost for labor and materials to re-roof the residence would be \$4,500. No estimates for other repairs including the foundation were given.

The applicant's supporting documentation as to why the structure cannot be repaired, and subsequently cannot earn a reasonable return, focuses almost exclusively on the damaged perimeter of the foundation, windows, and siding. No evidence has been presented as to the condition of the foundation toward the interior/center of the structure. Further, the applicant has not removed the sheetrock in order to assess the condition of interior structural material like shiplap and studs. Please see Criterion 2 for further information.

The lack of information on rehabilitation costs fails to support the argument that the property is incapable of earning a reasonable return.

- (2) That the owner has demonstrated that the property cannot be adapted for any other use, whether by the current owner, by a purchaser or by a lessee, that would result in a reasonable return;

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 deteriorated state of the structure, there are no other adaptive reuses available. During a site visit, staff observed that the majority of the siding was in good condition, with the exception of the rows closest to grade. Staff observed cracked drywall, but were unable to determine the condition of the shiplap or interior studs. The structural members in the roof also did not appear to be damaged beyond repair. Staff did observe architectural elements, like several windows, that were damaged beyond repair and would be approved for replacement. Further, staff does not contest that the perimeter beams of the foundation and exposed studs have suffered significant termite damage and rot. However, no evidence has been presented that the remainder of the structural components are damaged beyond repair, destroyed, or non-existent.

The applicant has submitted letters from Ridgewater Homes, Cherry House Movers, Houston Heights Roofers, and Extreme Foundation Repair in addition to reports by Bec-Lin Engineering and Amrid Pest Control as evidence of the deteriorated state of the property and the inability to repair the property. Staff argues that these letters are insufficient evidence as to whether the structure can be adapted for another use.

Ridgewater Homes, which specializes in new construction, did not provide an estimate to repair the structure. The agent states that there is no feasible way to repair the foundation and framing members, but did not indicate as to whether the foundation and framing members have been thoroughly compromised, and, according to information available to staff, cannot have been determined since there has been no exploratory demolition.

Cherry House Movers, which identifies as a "structural relocation company," said that the structure is not a movable structure and is a candidate for demolition. The letter references deterioration of the supporting structure, but there is no mention of the remaining structural components like shiplap and studs.

Bec-Lin Engineering's report includes observations made during an October 2016 site visit, and asserts that the structure is "not salvageable and should be demolished." However, staff argues that, collectively, their observations do not constitute justification for demolishing the residence. It is also unclear as to whether "not salvageable" means unrepairable, as opposed to not worth repairing. Further, in the demolition application materials for 113 E 4th, Bec-Lin also asserted that the structure was "not salvageable and should be demolished." The HAHC denied the application, and the residence has since been rehabilitated and is currently occupied.

Amrid Pest Control stated that the house is "not currently a candidate for treatment," which staff would argue is not justification for demolishing the residence. Staff is not opposed to components affected by termites being replaced.

Houston Heights Roofers suggested tearing down the structure, but staff would argue that a roofing company is not an expert on whether or not a structure should be demolished.

Extreme Foundation repair stated that they found it "difficult to devise a repair plan." The letter notes the structural decay of the sub structure. At this time, staff has been unable to identify whether the agent had access to the interior of the structure to make this determination, or if their findings are based on observations of the perimeter only.

Staff argues that the conclusions drawn in this report are largely based on damage that is currently visible, and do not indicate whether steps were taken to determine the condition of structural members not currently visible. Based upon the information provided, the applicant has not established the inability of the property to be adapted for any other use.

- (3) That the owner has demonstrated reasonable efforts to find a purchaser or lessee interested in acquiring the property and preserving it, and that those efforts have failed; and *The owner has not listed the property for sale or lease since purchasing the property in June 2016.*
- (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; *The residence is contributing Folk Cottage-style structure. Staff estimates the original residence was constructed ca. 1920 due to its absence from the 1917 Sanborn map. The residence is, however, shown in the 1925 Sanborn map with an early addition. Extant building material confirms the presence of a small (24' wide by 14' deep) original building with a later addition (approximately 20' wide by 10' deep). Further, tax records and extant building material show a second addition constructed in 1937. The second addition encompassed the first addition resulting in a structure approximately 24' wide by 36' deep, or 864 square feet. The residence was also remodeled in 1937 as evidenced by the consistency of window style, dimension, and hardware present in the second addition and the original residence. Few alterations have been made to the residence since the 1930s. Sanborn maps show the house was once clad with asbestos shingles. While records indicate that the residence has always had a porch, the existing porch is not original to the building.*

The applicant contends that "at no point in time was this structure a good example of an archetype prevalent in or unique to the Houston Heights West Historic District." The period of significance for Houston Heights is 1890s-1940s, and features a diverse representation of architectural styles, including approximately 10 contributing structures classified a Folk Cottages and Folk Victorians. Staff finds that the house was appropriately classified as 'contributing' to the district. The house has significance because it is an original structure from the period of significance, and is therefore important to the integrity of the district. The applicant has not provided any evidence that the house at 1336 Tulane was incorrectly classified as 'contributing' to the district or that it has lost its historic significance for any reason.
- (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 context area; and *If demolition is carried out, the applicant proposes to construct a new two-story single family residence.*
- (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 June 2016, he continued to neglect the structure. The doors and windows were not secured, and the building continued to deteriorate. In December 2016, staff urged the applicant to secure the building to prevent further deterioration, animal infestation, and potential vandalism. The windows have since been boarded up from the inside, leaving the broken windows exposed to the elements to deteriorate further. The applicant's expenses incurred for the property list \$3,217.82 allocated for repairs to the property, but staff has been unable to determine from the information provided what those repairs were. Account reports do show \$1,400 spent in August 2016 for fence repair.*



PROPERTY LOCATION
HOUSTON HEIGHTS WEST HISTORIC DISTRICT



- Building Classification**
- Contributing
 - Non-Contributing
 - Park

CONTEXT AREA



1342 Tulane – Contributing – 1920 (neighbor)



1312 Tulane – Contributing – 1920 (neighboring)



1314 Tulane – Contributing – 1920 (neighboring)



1318 Tulane – Contributing – 1920 (neighboring)



1322 Tulane – Contributing – 1920 (neighboring)



1324 Tulane – Contributing – 1920 (neighboring)



1326 Tulane – Contributing – 1920 (neighboring)



1301 Tulane – Contributing – 1920 (across street)



1303 Tulane – Contributing – 1920 (across street)



1305 Tulane – Contributing – 1920 (across street)



1331 Tulane – Contributing – 1920 (across street)



1335 Tulane – Contributing – 1920 (across street)



1337 Tulane – Contributing – 1920 (across street)



1341 Tulane – Contributing – 1915 (across street)



1345 Tulane – Contributing – 1910 (across street)

INVENTORY PHOTO – AUGUST 2007



MAY 2011



JULY 2013



JANUARY 2015

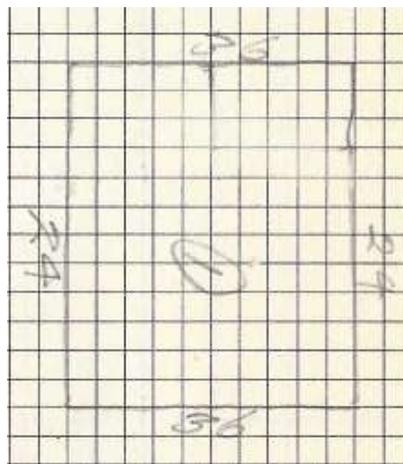


SANBORN MAPS / TAX RECORDS

1925 SANBORN MAP



1937 PERMIT APPLICATION



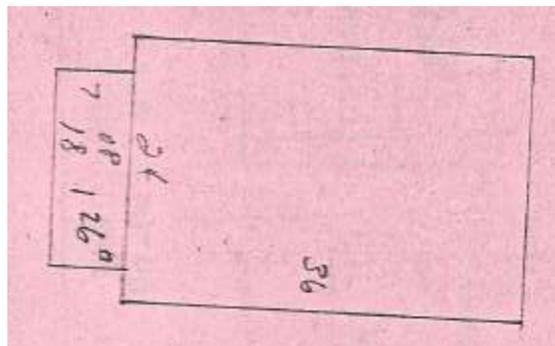
**Not to scale*

1951 SANBORN MAP

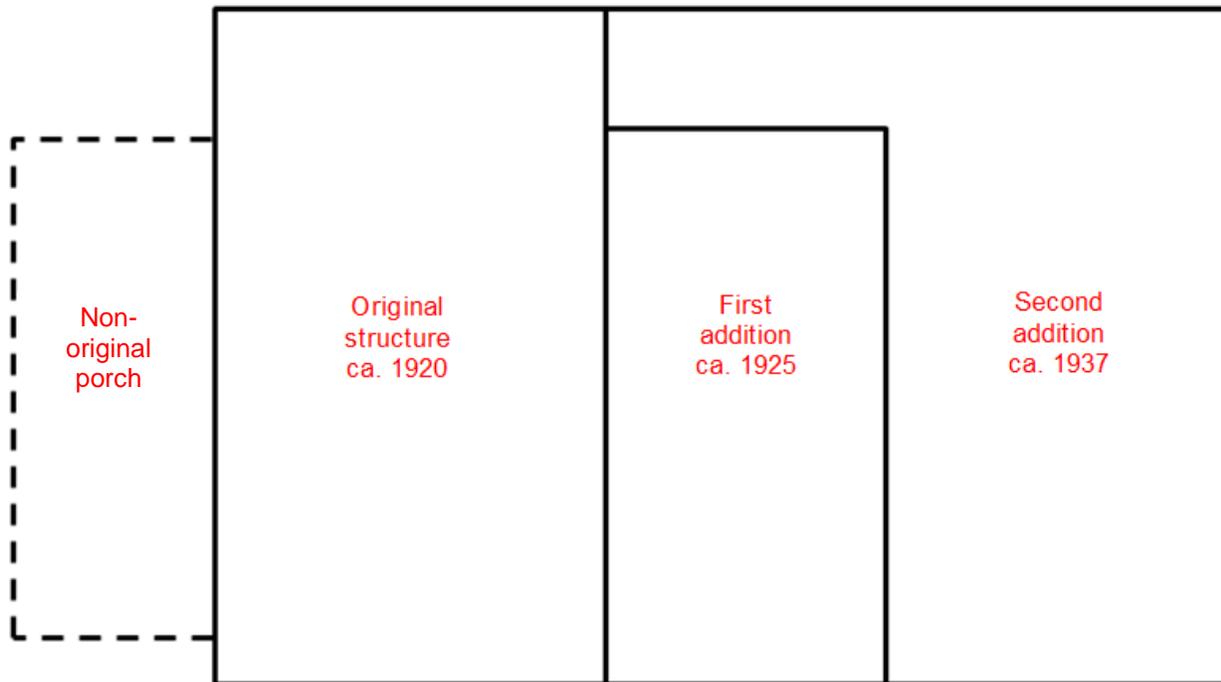


**Not to scale*

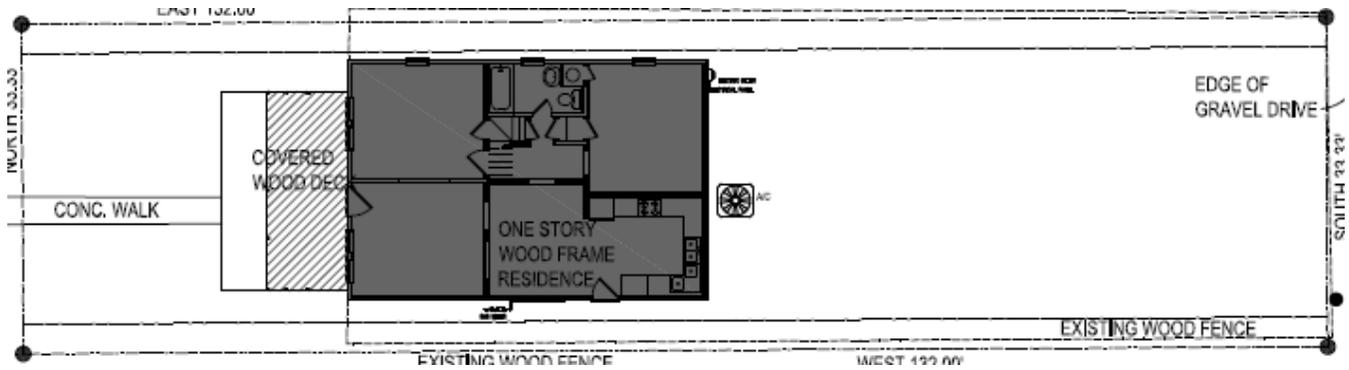
1968 BUILDING ASSESSMENT



STAFF CONSTRUCTION DIAGRAM



EXISTING SITE PLAN



APPLICANT PHOTOS – DAMAGE BY ELEVATION

**Staff keyed to precise location when identifiable*

WEST ELEVATION



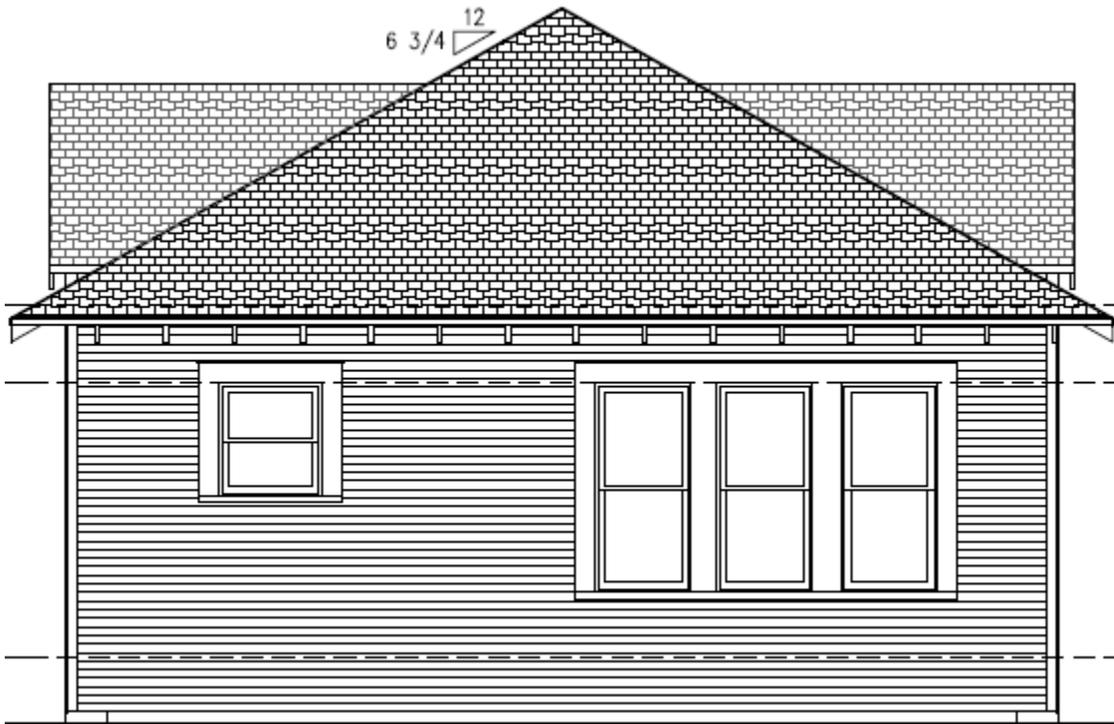
NORTH ELEVATION



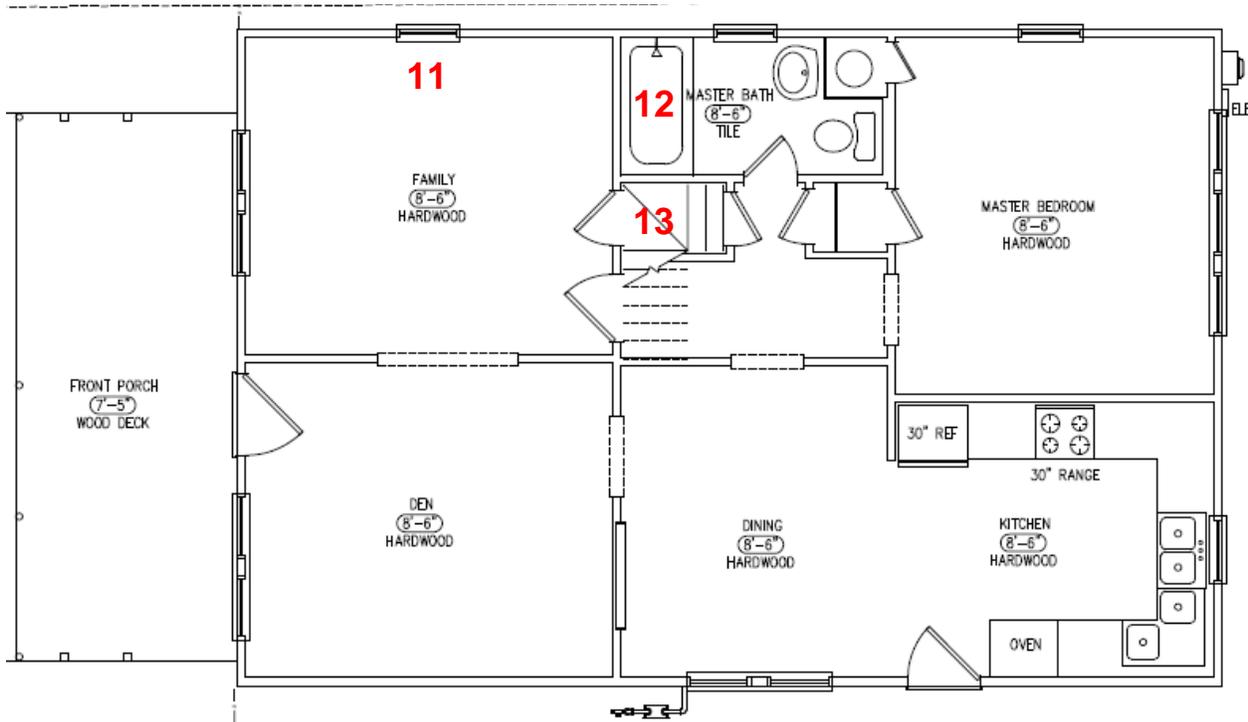
SOUTH ELEVATION



EAST ELEVATION



FLOOR PLAN



APPLICATION MATERIALS REVIEW & SUMMARY

SEC. 33-247 (b)

(1) Photographs and other documented evidence detailing the deteriorated state of the property and the inability to reasonably repair the property;

The applicant has provided staff with 20 photographs, in addition to the 20 photographs included in the structural report. Please see Attachment A, Application Materials, p. 6-10, 14-20, and 46-55.

The applicant has submitted letters from Ridgewater Homes, Cherry House Movers, Houston Heights Roofers, and Extreme Foundation Repair in addition to reports by Bec-Lin Engineering and Amrid Pest Control as evidence of the deteriorated state of the property and the inability to repair the property. Please see Attachment A, Application Materials, p. 42-58.

(2) A certified appraisal of the value of the property conducted by a certified real estate appraiser that takes into account that the property is a landmark, protected landmark, or contributing structure in a historic district as well as the two most recent assessments of the value of the property unless the property is exempt from local property taxes;

The applicant submitted a restricted appraisal dated February 17, 2017 that valued the property at \$272,500. The appraisal did take into account that the property is a contributing structure; however, the appraiser stated that the “older house adds no value” and the subject property was “valued as if vacant.” Furthermore, the appraiser only conducted a “drive-by” inspection of the property to prepare the appraisal.

The appraised value was based on adjusted comparable houses, none of which are located in the Heights West Historic District.

Please see Application Materials, Attachment A, p. 21-30.

HCAD Appraised Value

2015: \$252,725

2016: \$277,997

2017: Pending

(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 applicant submitted two restricted appraisals: one dated June 24, 2016 that valued the property at \$263,000, and the other dated February 17, 2017 that valued the property at \$272,500. The appraisal in June 2016 did not take into account that the property was a contributing structure in the Heights West Historic District, and valued the lot “as if vacant.” The February 2017 appraisal did take this into account; however, the appraiser stated that the “older house adds no value” and the subject property was “valued as if vacant.” Furthermore, an inspection of the property was not conducted by the appraiser prior to the June 2016 appraisal, and the appraiser conducted a “drive-by” inspection of the property to prepare the February 2017 appraisal.

The June 2016 and February 2017 appraised values were based on adjusted comparable houses, none of which are located in the Heights West Historic District.

Please see Application Materials, Attachment A, p. 21-40.

(4) All listing for the sale or lease of the property by the owner within the last year, and a statement by the owner of any bids and offers received and counteroffers given on the property;

The owner purchased the property in June 2016 and has not listed the property for sale or lease. The owner has not received any bids or offers for the property.

Please see Attachment A, Application Materials, p. 41.

(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 deteriorated state of the structure, there are no other adaptive reuses available.

Please see Application Materials, Attachment A, p. 42-58.

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

Information provided by the applicant contends that the structure cannot be repaired, and therefore only two cost estimates were given. Ridgewater Homes stated that the “cost estimated to replicate the structure with in-kind material would be \$195 per square foot,” but provided no basis for the cost estimate. Please see Attachment A, Application Materials, p. 42. Houston Heights Roofers stated that if the building were made structurally sound, the cost would be \$4,500 (material and labor) to reroof. Please see Attachment A, Application Materials, p. 57.

(7) Any financial statements showing revenue and expenses incurred for the property;

As of January 31, 2017, the owner has incurred \$20,956.63 worth of expenses for the property. 56% of the expenses incurred are from interest expense, property taxes, a survey, and insurance, which are standard costs of ownership.

Please see Attachment A, Application Materials, p. 59-67.

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

The applicant has submitted a conceptual front elevation and proposed site plan for a new single-family residence.

Please see Attachment A, Application Materials, p. 72-73.

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

No plan has been set forth to salvage, recycle, or reuse building materials. The applicant asserts that “none of the existing wood material found on the home is suitable for re-use.”

Please see Attachment A, Application Materials, p. 2.

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

Not applicable.

ATTACHMENT A

ATTACHMENT B

ATTACHMENT C

ATTACHMENT D