

**CERTIFICATE OF APPROPRIATENESS**

**Application Date:** December 7, 2015

**Applicant:** Barbara Kebodeaux for Moris A Dayeh Living Trust, owner

**Property:** 113 East 4<sup>th</sup> Street, Tract 11b and 12b, Block 301, Houston Heights Subdivision. The property includes a historic 1,092 square foot, one-story wood frame single-family residence situated on a 4,400 square foot (44' x 100') interior lot.

**Significance:** Contributing Craftsman style residence, constructed circa 1915, located in the Houston Heights Historic District South.

**Proposal:** Demolition – Demolish a Contributing circa 1915 Craftsman style bungalow. The owner claims the presence of an Unreasonable Economic Hardship. Staff has reviewed this application under the Historic Preservation Ordinance’s Unreasonable Economic Hardship criteria, as well as for Unusual and Compelling Circumstances for demolition.

The applicant is managing the estate of the recently deceased previous owner. The applicant has asserted that the residence’s poor condition, and the high cost of repairing the structure’s deficiencies, qualifies the property for a Certificate of Appropriateness for demolition under the Ordinance’s *Unreasonable Economic Hardship* criteria. The applicant is seeking to demolish the residence to create a vacant lot, which will be sold as a site for future development.

See enclosed application materials and detailed project description on p. 2-21 for further details.

**Public Comment:** No public comment received at this time.

**Civic Association:** No comment received.

**Attachments:** A: Application Materials

B: *Assessing Economic Hardship Claims under Historic Preservation Ordinances* published by the National Trust for Historic Preservation & National Alliance of Preservation Commissions

**Recommendation:** Denial - does not satisfy criteria

**HAHC Action:** -

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 subject to the establishment of an (c) unreasonable economic hardship or the establishment of an (d) unusual and compelling circumstance.

(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, without regard to whether the return is the most profitable return, including without limitation, whether the costs of maintenance or improvement of the property exceed its fair market value;

The applicant has asserted that the structure has deteriorated to the point where it is incapable of earning a reasonable economic return. In addition, the applicant states that this deterioration is the result of years of deferred maintenance on the part of the recently deceased owner, a relative of the applicant.

The appraisal submitted with the application states that the property is worth \$298,351 with the structure in place; if the 4,400 square foot lot were vacant, it would be valued at \$335,000.

In the written description submitted, the applicant cites foundation damage and the resulting damage to the exterior walls and floor, previous fire damage, termite and rodent infestation, inadequate plumbing and wiring as deficiencies that result in an unreasonable economic hardship. The applicant has also submitted an engineer's report that confirms the presence of damage to the foundation, walls, and floor as well as the presence of termites. The City's Structural Inspector also visited the site and confirmed the presence of this damage.

The applicant has submitted a detailed cost estimate that states that the structure could be repaired for a cost of approximately \$196,785. The estimate states that the work associated with repairing the walls, floors, and installing a new foundation would cost approximately \$59,550 (see line items Leveling/Lifting, Foundation, Dirt Haul, Frame Labor, Frame Material, Weatherstrip/Flashing, Exterior Siding Material, Exterior Siding Labor, Lattice Work, Drywall Material, Drywall Labor, Wood Floors, Tile Floor Labor, Tile Walls Labor and Final Grade for more detail).

The estimate states that the plumbing problems can be addressed for a cost of approximately \$7,400 (see Plumbing line item) and that the structure can be completely re-wired for \$9,500 (see Electrical line item). A separate estimate states that the termites can be exterminated for \$1,008.

Based on the estimates provided, the total cost to address the issues that the applicant has asserted are the basis for Unreasonable Economic Hardship is \$77,458.

Since this structure is designated as Contributing to Houston Heights Historic District South, it also qualifies for historic tax incentives and discounted permit fees. The applicant did not submit any investigation on how these fees may offset rehabilitation costs.

*Staff finds that the applicant has not demonstrated that this property is incapable of earning a reasonable return. The applicant's appraisal states that the property is worth \$298,351 in spite of the deficiencies listed. The applicant could sell the property as is for that amount, or repair the structure and sell it for a higher price.*

*Please see pp. 20-21 for further analysis of the information provided by the applicant.*

- (2) 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;

*Due to the location and size of the property, the only reasonable uses of the property are as single-family residential or possibly a small office use. The location of this property in a primarily residential area would make adapting the property for a use other than these unlikely.*

*No materials have been submitted that would indicate that the applicant has considered adapting the property to another use. The applicant has also not submitted any information or estimates on the costs of expanding the size of the house with an appropriate addition, or the possible return on sale of the house if such an addition were constructed.*

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

*The applicant submitted an appraisal showing the value of the property as \$298,351. The applicant has submitted copies of real estate listings showing the property listed for sale for \$425,000 from February 2015 through June 2015; a reduced asking price of \$379,000 from September through October; a further reduction on November 3 to \$369,000 and another reduction to the current asking price of \$315,000 on November 21, 2015. The listings initially stated that the "house is in very poor condition and most likely will need to be torn down" This text was removed from the listing when the price was last reduced on November 21<sup>st</sup>. The applicant asserts that they have received no offers during the time this property has been listed on the market.*

*Staff finds that these listings do not demonstrate that the applicant has made a reasonable effort to find a purchaser or lessee interested in preserving the property. The appraisal submitted with this application states the property is worth \$298,351 as is, substantially less (between \$126,649 and \$16,649 less) than the applicant's listing price. Furthermore, the listing recently previously included phrasing that would discourage someone from purchasing the property with the intent of rehabilitating the contributing house.*

- (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 applicant has asserted that the proximity of Interstate 10, the commercial properties along its feeder road, other commercial properties along 4<sup>th</sup> Street, and the fact that the*

*structure is situated along the southern boundary of the Historic District as reasons why the structure does not contribute to the character of Houston Heights South.*

*Staff finds that that the structure is in keeping with the character of the Historic District and was correctly classified as contributing to the district. The house also retains a substantial degree of its original features and materials.*

- (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

*The applicant wishes to demolish the house in order to sell the property at a higher price as a vacant lot available for new construction.*

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

*The house has suffered from deferred maintenance, but is not beyond repair. Proper repair and maintenance will stop further deterioration of the house.*

DRAFT



PROPERTY LOCATION  
HOUSTON HEIGHTS HISTORIC DISTRICT

Building Classification

- Contributing
- Non-Contributing
- Park



INVENTORY PHOTO



CURRENT PHOTO



**NEIGHBORING PROPERTIES**



117 East 4<sup>th</sup> Street – Contributing – 1920 (neighbor to the east)



121 East 4<sup>th</sup> Street – Contributing – 1906 (neighbor two doors to the east)



402 Heights Boulevard– Contributing – 1920 (neighbor to the west)



122 East 4<sup>th</sup> Street– Outside the District –(across street)



112 East 4<sup>th</sup> Street – Outside the District –(across street)



110 East 4<sup>th</sup> Street– Outside the District –(across street)

**STAFF PHOTOS**

**CRAWLSPACE**

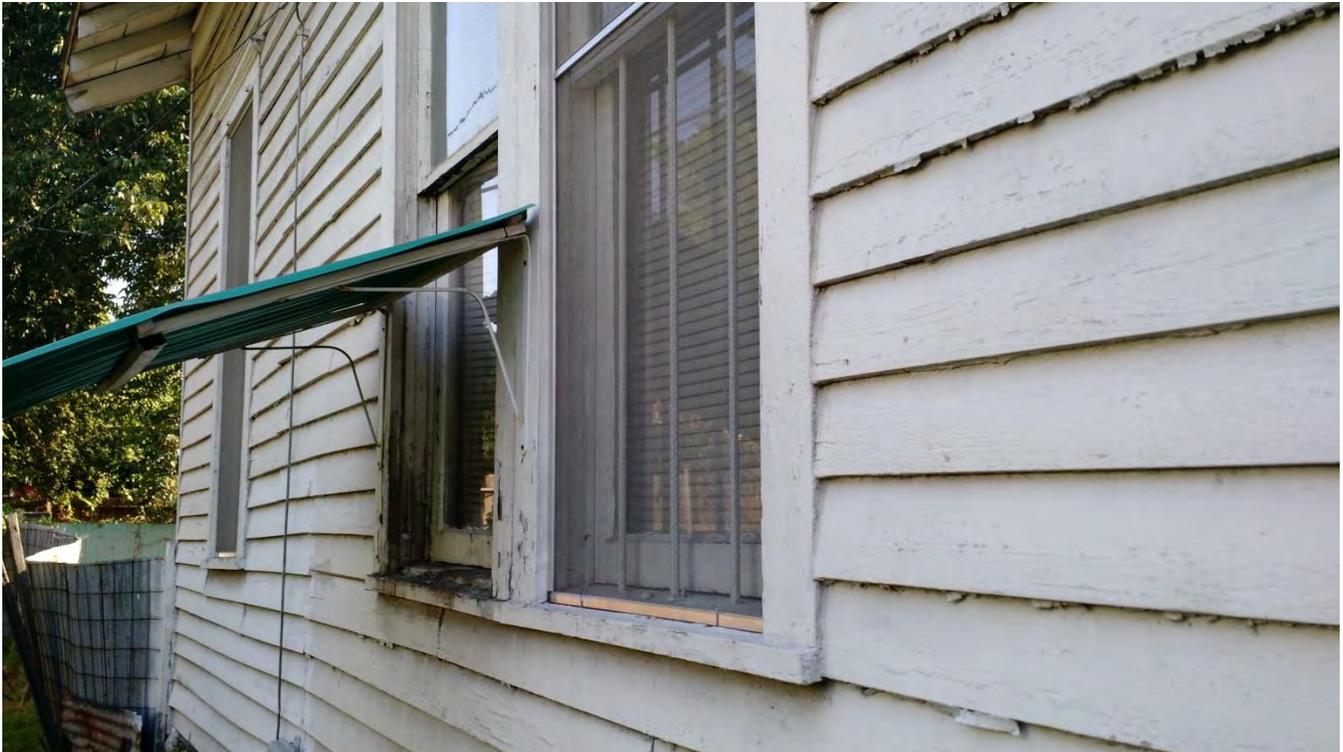


**STAFF PHOTOS**  
**CRAWLSPACE**



**STAFF PHOTOS**

**EXTERIOR WALLS**



**STAFF PHOTOS**

**EXTERIOR WALLS**



**STAFF PHOTOS**  
**EXTERIOR WALLS**



STAFF PHOTOS

INTERIOR



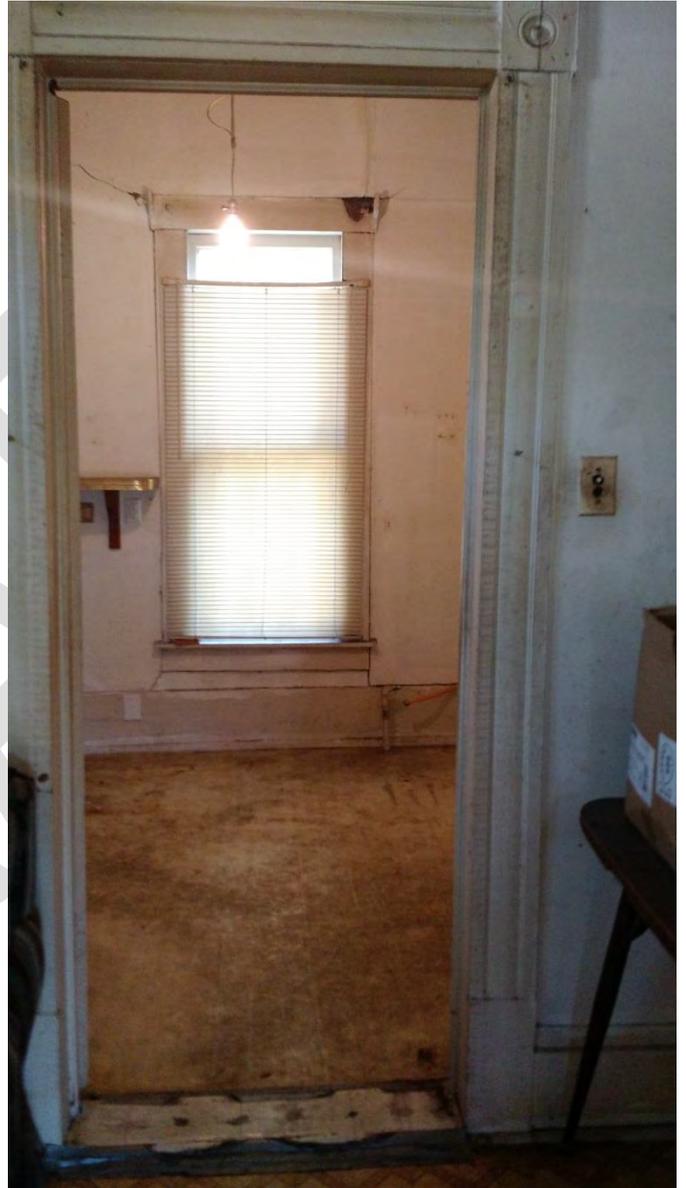
STAFF PHOTOS

INTERIOR



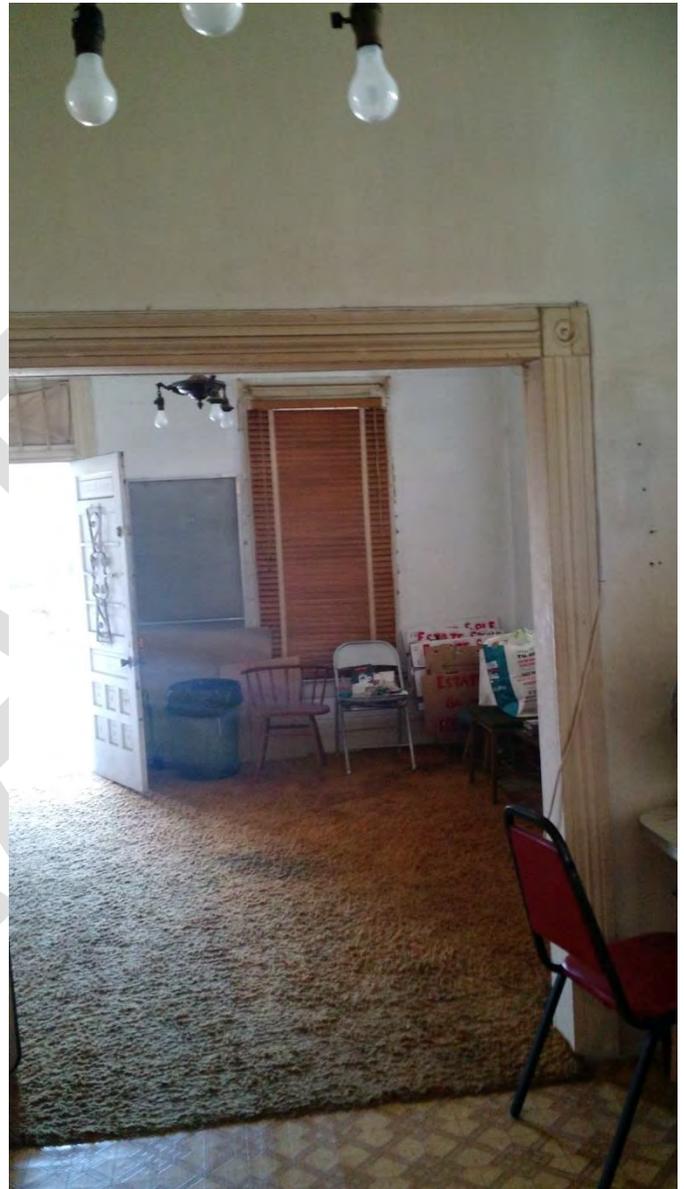
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INTERIOR



STAFF PHOTOS

INTERIOR

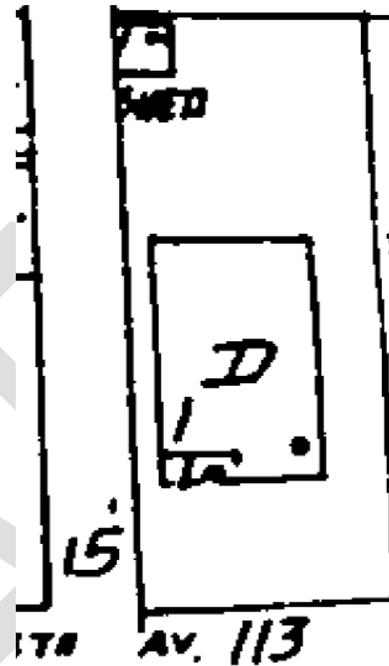
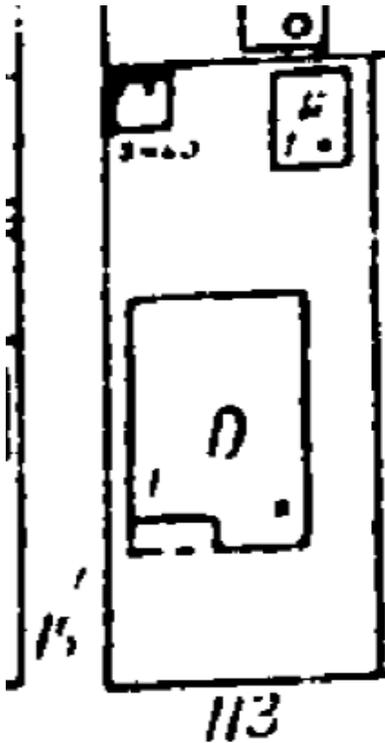




SANBORN MAPS

1924

1951



DRAFT

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### CITY STRUCTURAL INSPECTOR FINDINGS

All,

Please see below my field notes from 8-12-15.

Insect damage and rot was visible at the front porch. Interior window casing and areas of exposed shiplap had deteriorated and crumbled to touch. Gypsum wall covering around fenestrations had cracked diagonally (indicating vertical and horizontal settlement). Floors were crowned noticeably in the center of the rooms.

Mortar in many brick piers was crumbling. Auxiliary sills under the house were composed of 2x material laid flat as part of a pony wall assembly braced in the soil. This wood to ground contact has allowed insects to tunnel into the floor joists. Cypress siding was largely in good repair, although cracks were evident at the ends of courses. Walls in some areas were more than 2% out of plumb.

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**APPLICATION MATERIALS REVIEW AND SUMMARY**

## SEC. 33-247(b)

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

The applicant submitted an appraisal dated September 8, 2015 that indicates that this property is worth \$298,351. The appraisal notes that the land is worth \$335,000 and the structure to be worth -\$37,149, citing an "adverse effect on value by the restrictions placed on the subject improvements by the City of Houston Preservation Ordinance of October 2010."

The appraised value was based on adjusted comparable properties within the Greater Heights Neighborhood. The comparable properties used were 511 Arlington, 1832 Columbia, 1123 Oxford, and 4602 Pineridge.

**(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: \$233,256

2014: \$212,933

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

The property's longtime owner passed away approximately a year ago. No appraisals have been performed aside from the September 2015 appraisal being used for this demolition COA application.

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

The applicant has listed this property for sale for approximately a year. It was listed for \$425,000 between February and June, \$379,000 between September and November, for \$367,000 later in November, and is currently on the market for \$315,000. The listings previously asserted that the residence is "in very poor condition and will most likely need to be torn down," however, this text was removed following the most recent price reduction in November. The applicant has stated that they have received no offers on the property since it has been listed.

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

The applicant has not submitted any evidence indicating they explored any use for the property other than single-family residential.

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

The itemized and detailed rehabilitation cost estimate provided states that the property can be repaired for \$196,785. The applicant also submitted an engineer's report that stated the residence featured damage to the foundation, floors, and walls as well as the presence of termites. The engineer recommends that the structure be torn down. The applicant attempted to produce an estimate from a foundation contractor to repair the foundation but this company declined to produce this estimate when they were shown the portion of the engineer's report recommending demolition.

The applicant has asserted that damage to the foundation, walls, floors, pest infestation, plumbing and electrical systems make the house uninhabitable. Based on the itemized and detailed rehabilitation cost report and a separate termite extermination estimate, these deficiencies can be addressed for approximately \$77,458.

No information has been provided regarding the value of the property if it were renovated or if an addition were constructed. When this information was requested, the applicant replied that the estate did not have the resources, nor the interest, in performing any work on the property. In order to comply with what the applicant feels is the spirit of this request, they noted that the property next door to them, 117 East 4<sup>th</sup> Street, features comparable size of both lot and improvements, has been recently renovated, and has been listed for \$469,000 to \$449,000 since August of 2015. According to the Multiple Listing Service, this property sold on December 31<sup>st</sup> 2015 for between \$420,000 and \$482,000.

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

The applicant submitted the following cost comparison of rehabilitating the structure versus demolition and new construction of a new residence of a similar size as the existing structure:

	<b>Demolition and New Construction</b>	<b>Rehabilitating the Existing Structure</b>
Renovation Costs	NA	\$196,785
Demolition	\$5,775	NA
New Construction	\$132,240	NA
<b>Total</b>	<b>\$138,015</b>	<b>\$196,785</b>

The rehabilitation option would cost **\$58,770** more than to tear down and build new.

The demolition estimate is based on a bid submitted by a demolition contractor. The new construction cost was based on the replacement cost from the appraisal.

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

The applicant has not submitted any plans of the intended future use of the property. When this information was requested, the applicant replied that the estate did not have the resources to develop plans for the property. The intent is to demolish the property in order to make it marketable enough for the estate to sell.

**(9) Plans to salvage, recycle, or reuse building materials if a Certificate of Appropriateness is granted**

The bid submitted by the demolition contractor states that “all trash debris will be taken to a state approved landfill” and that the contractor retains salvage rights. The bid specifies that all concrete will be taken to a recycling facility.

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

Not applicable.

# CERTIFICATE OF APPROPRIATENESS APPLICATION FORM



**PLANNING &  
DEVELOPMENT  
DEPARTMENT**

**PROPERTY**

Address 113 E 4<sup>th</sup> Street, Houston, TX 77007  
 Historic District/Landmark Houston Heights South HCAD # 0210330000029  
 Subdivision Heights ← - TRS 11B+12B Lot      Block 301

**DESIGNATION TYPE**

- Landmark
- Protected Landmark
- Archaeological Site
- Contributing
- Noncontributing
- Vacant

**PROPOSED ACTION**

- Alteration or Addition
- Restoration
- New Construction
- Relocation
- Demolition
- Excavation

**DOCUMENTS**

Application checklist for each proposed action and all applicable documentation listed within are attached - see Geoff Butler originally submitted 12/1/15 / Computer e-mail.

**OWNER**

Name Moris A Dayeh Living Trust  
 Company       
 Mailing Address       
 Phone       
 Email       
 Signature       
 Date     

**APPLICANT (if other than owner)**

Name Barbara Kebodeaux, Trustee  
 Company       
 Mailing Address 8611 Kempridge  
Houston, TX 77080  
 Phone 713-465-4948  
 Email       
 Signature Barbara Kebodeaux  
 Date 12-1-2015

**ACKNOWLEDGEMENT OF RESPONSIBILITY**

**Requirements:** A complete application includes all applicable information requested on checklists to provide a complete and accurate description of existing and proposed conditions. Preliminary review meeting or site visit with staff may be necessary to process the application. Owner contact information and signature is required. Late or incomplete applications will not be considered.

**Deed Restrictions:** You have verified that the work does not violate applicable deed restrictions.

**Public Records:** If attached materials are protected by copyright law, you grant the City of Houston, its officers, agencies, departments, and employees, non-exclusive rights to reproduce, distribute and publish copyrighted materials before the Houston Archaeological and Historical Commission, the Planning Commission, City Council, and other City of Houston commissions, agencies, and departments, on a City of Houston website, or other public forum for the purposes of application for a Certificate of Appropriateness or building permit, and other educational and not for profit purposes. You hereby represent that you possess the requisite permission or rights being conveyed here to the City.

**Compliance:** If granted, you agree to comply with all conditions of the COA. Revisions to approved work require staff review and may require a new application and HAHC approval. Failure to comply with the COA may result in project delays, fines or other penalties.

Planner: \_\_\_\_\_ Application received: \_\_\_/\_\_\_/\_\_\_ Application complete: \_\_\_/\_\_\_/\_\_\_

*26 pages*

# CERTIFICATE OF APPROPRIATENESS DEMOLITION CHECKLIST



PLANNING &  
DEVELOPMENT  
DEPARTMENT

Well in advance of the COA application deadline contact staff to discuss your project and, if necessary, to make an appointment to meet with staff for a project consultation.

Submit all items with the COA application form. An incomplete application may cause delays in processing or may be deferred to the next agenda. Refer to Houston Code of Ordinances, Ch. 33 VII, Sec. 33-247 for demolition approval criteria. Demolition applicants must give public notice by posting a sign at the site of the structure. Refer to attached public notice sign requirements for instructions.

PROPERTY ADDRESS: 113 E 4<sup>th</sup> Street Houston, TX 77007

DEMOLITION TYPE:  unreasonable economic hardship  unusual or compelling circumstance

## WRITTEN DESCRIPTION

property description, current conditions and any prior alterations or additions *See BEC-LIN Engineering, L.P. Report which has been e-mailed to the office*

## PHOTOGRAPHS label photos with description and location

elevations of all sides of structure *- see engineering's report + pictures and MLS pictures and photo album already provided.*

public notice sign(s) at the site upon installation with time stamp *Sign will be updated once January 2016 date is established.*

## DRAWINGS

current site plan or survey *you already have it*

## DOCUMENTATION

certified appraisal of the value of the property conducted by a certified real estate appraiser *Sept 8, 2015 already provided*

assessed value of the land and improvements according to the two most recent assessments, unless the property is exempt from local property taxes

*NA*  all appraisals obtained by the owner in connection with the acquisition, purchase, donation, or financing of the property *94557454*

*NA*  all Listings of the property for sale or rent that are less than a year old at the time of the application *former MLS and present MLS 55257400*

evidence of any consideration by the owner of uses and adaptive reuses of the property *- single family*

rehabilitation cost estimates, itemized and detailed, for identified uses or reuses, including the basis of cost estimates *already provided*

comparison costs of rehabilitation of the existing building, demolition of the building, and new construction *" "*

*NA*  complete architectural plans and drawings of the intended future use of the property, including new construction, if applicable/available

plans to reuse, recycle or salvage list of building materials if a COA is granted *already provided*

*NA*  if applicant is a Nonprofit Organization, provide the following additional written information:

- cost comparison of the performance of the organization's mission or function in the existing and new buildings
- impact of reuse of the existing building on the organization's program, function or mission
- additional costs if any, attributable to the building of performing the nonprofit organization's function within the context of costs incurred by comparable organizations, particularly in the Houston area
- grants received, applied for or available to maintain or improve the property
- budget of the nonprofit organization for the current and immediately past fiscal years

No. 434907

IN THE ESTATE OF § IN THE PROBATE COURT  
MORIS ATALLAH DAYEH § NO. \_\_\_  
DECEASED § HARRIS COUNTY, TEXAS

POST

APPLICATION FOR PROBATE OF WILL AS MUNIMENT OF TITLE

10/27/2014

TO THE HONORABLE JUDGE OF SAID COURT:

Barbara Kebodeaux ("Applicant"), furnishes the following information to the Court in support of this application for the probate of the Will of her uncle, Moris Atallah Dayeh ("Decedent"), as a Muniment of Title:

1. Barbara Kebodeaux, Applicant, is an individual interested in this Estate, and is domiciled in and residing at **8611 Kempridge, Houston, TX 77080**.
2. Decedent died on **September 8, 2014** at Houston, Harris County, Texas, at the age of **96** years. Decedent's domicile at the time of his death was Houston, Harris County, Texas.
3. This Court has jurisdiction and venue because Decedent was domiciled in Texas and had a fixed place of residence in this County on the date of his death.
4. At the time of Decedent's death, Decedent owned real property in the State of Texas and personal property, generally described as real estate, cash, personal effects and household goods, with a probable value in excess of **\$50,000.00**.
5. Decedent left a valid written Will dated May 12, 1992, which was never revoked and is filed herewith.
6. The original written Will is attached hereto.
7. The Will was self-proved in the manner prescribed by law.

8. The subscribing witnesses to the Will and their present addresses are as follows:

Witness: **Kimberly A. Miller**

Residence Address: **8303 Katy Freeway, Houston, TX 77024**

Witness: **Gregory G. Heffelfinger**

Residence Address: **8303 Katy Freeway, Houston, TX 77024**

9. The Will named his niece, **Barbara Kebodeaux**, as Independent Executrix, whose residence address is **8611 Kempridge, Houston, TX 77080**.

10. No children were born to or adopted by Decedent after the date of the Will.

11. Decedent was never married.

12. Neither the state, a governmental agency of the state, nor a charitable organization is named by the Will as a devisee.

13. Applicant has investigated the affairs of the Decedent and finds that to the best of Applicant's knowledge and belief, there are no unpaid debts owing by the Estate of the Decedent, exclusive of any debt secured by liens on real estate, and there is no necessity for administration on such Estate.

14. The Decedent received Medicaid on or after **March 1, 2005**.

**WHEREFORE**, Applicant prays that citation issue as required by law to all persons interested in this Estate; that the Will be admitted to probate as a Muniment of Title only; that the requirement for the filing of an Affidavit of Fulfillment of Terms of Will be waived; and that all other Orders be entered as the Court may deem proper.

Respectfully submitted,



Philip M. Campa SBN/03691649

11500 Northwest Freeway, Suite 305

Houston, TX 77092

Phone: (713) 957-8590 Fax: (713) 481-0993

Email: [REDACTED]

Attorney for Applicant, **Barbara Kebodeaux**

September 28, 2015

Houston Archaeological and Historical Commission  
Planning & Development Department  
611 Walker Street, 6<sup>th</sup> Floor  
Houston, TX 77002

Dear Commissioners:

While the structure (I will not call it a house/home) on 113 E 4<sup>th</sup> Street is technically within the southern-most boundary of the Houston Height's South Historic District, the fact it sits on the north side of 4<sup>th</sup> street rather than the south side of 4<sup>th</sup> street which is not part of the historical district – is the only thing that makes it so. Sadly, the structure (formerly my deceased 96 year old uncle's residence) does not contribute to the character or attest to the history of the historic district. As a result, we are seeking your approval for it to be demolished.

The structure is currently in such poor condition and disrepair with too extensive damage for renovation or rehabilitation to be possible and is thus uninhabitable. Some of the deliterious issues are outlined below.

1. Fire: There was fire in the kitchen many years ago that gutted the kitchen and caused damage with charred wood still visible in the attic.
2. Rodent Infestation: There is a long history of rats and other rodents like squirrels in the structure, especially in the attic (see pictures of outside back wall, eaves and holes in the exterior walls - wall at kitchen sink).
3. Pest Infestation: The structure is and has been for some time, infested with termite infestation throughout – front porch, walls, floors and structural supporting beams (see pictures in photo album and termite inspection report).
4. Engineer-Identified Structural Problems – City Engineer, Pete Stockton, has inspected this structure. Please see his report.
  - a. There is inadequate support for the structure as evidenced by the sloping of the floor from the middle to the sides and the structural beams under the structure having gaps. The brick beams either have cracks in the bricks or have separated or have literally fallen apart requiring cementing.

- b. The existing floors and sub-flooring are buckling and have completely rotted away in certain places (e.g. the commode almost fell through the floor of the bathroom and the flooring in other rooms is wavy).
  - c. The exterior walls are bowing out and the interior walls have diagonal cracks indicating significant foundation issues. As Nolan Ryan would say "that is bad" (see pictures in photo album of the angled cracking in all of the rooms).
5. Plumber-Identified Problems: Inadequate drainage lines for the toilet and for the modern washing machine. Pipes are exposed to the weather elements and have broken in hard freeze.
6. Electrician-Identified Problems: Whole structure needs to be re-wired as presently there are only one or two outlets per room which does not support present family needs.

Since my uncle passed away more than one year ago, the structure has been vacant. Attempts to sell the property this past spring (February thru May) and now again this fall have been unsuccessful because the structure detracts from the property (see appraisal stating that the structure has a negative contributory effect on the property) and it will not rent it out as it is clearly unsafe.

A demolition company has been chosen to salvage items from within the structure and demolish the structure upon your approval; then, that will allow the property to be sold for a single family dwelling lot. I hope that the new home that will be built at 113 E 4<sup>th</sup> Street will be a safe livable single family home that will allow for life to be breathed back into this little lot of the historic district.

Please do not hesitate to contact me with any questions you may have as I might be able to provide additional information.

Sincerely,



Barbara E. Kebodeaux

  
713-465-4948

**DEMOLITION TYPE: Unreasonable Economic Hardship**

Property Description: single story structure with crawl space foundation; 1092 square feet – 2 bedrooms, 1 bath. 7 rooms total.

Lot is 4400 square feet with no garage, former driveway on east side of lot is now all grass covered. West side of lot is open ditch (alley way).



HOUSTON  
11727 S SAM HOUSTON PKWY  
W SUITE F  
HOUSTON, TX 77031

**Sentricon Baiting Plan**  
Contract #: 14996-0282723

Customer Name: RON KEBODEAUX  
Mailing Address: 8611 KEMPRIDGE STREET  
HOUSTON, TX 77080  
Property Address: 113 EAST 4TH STREET  
HOUSTON, TX 77007

Home Phone: (713) 465-4948  
Work Phone:  
Cell Phone:

Representative: GHOUSSOUB, NABIL H.  
Contract Date:  
Page: 1

E-mail Address: [REDACTED]

**Authorized Agreements**

Service Plan Description	Initial Charge*	Billing Frequency	Renewal Charge*	Service Frequency	Regular Service Charge*
Sentricon Baiting Plan	\$1,008.00	Annual	\$299.00	Annual	N/A

\*Excludes tax (if applicable)

**Plan Qualifications:**

Live Subterranean Termites Found?: Yes  
Damage Found?: Yes

**Information:**

Description of Structures Covered: House  
Preventive or Curative: Curative  
Number of Stations: 10  
Transfer Fee: \$0.00  
Protection or Service: Service

Licensed and regulated by: Texas Department of Agriculture, PO Box 12847, Austin, TX 78711-2847 Phone 866-918-4481 Fax 888-232-2567

**THIS CONTRACT PROVIDES FOR RETREATMENT OF A STRUCTURE BUT DOES NOT PROVIDE FOR THE REPAIR OF DAMAGES CAUSED BY SUBTERRANEAN TERMITES OR OTHER WOOD DESTROYING ORGANISMS. THE REMOVAL OF THE BAIT OR BAITING SYSTEM MAY RESULT IN A LACK OF TERMITE PROTECTION.**

Commencing with the date of initial installation and for one year thereafter, Terminix will provide the necessary services to the described property (hereinafter, whether one or more, called "Structures") to control or protect against subterranean (ground) termites (*Reticulitermes* spp., *Heterotermes* spp.) and formosan termites (*Coptotermes* spp.). This plan does not control or protect against aerial (above ground) infestation of any kind, drywood termites (*Kalotermites* spp., *Incisitermes* spp., *Cryptotermes* spp.) or other wood destroying organisms such as carpenter ants, powder-post beetles, wood decay fungi, etc.

**1. PERFORMANCE COMMITMENT**

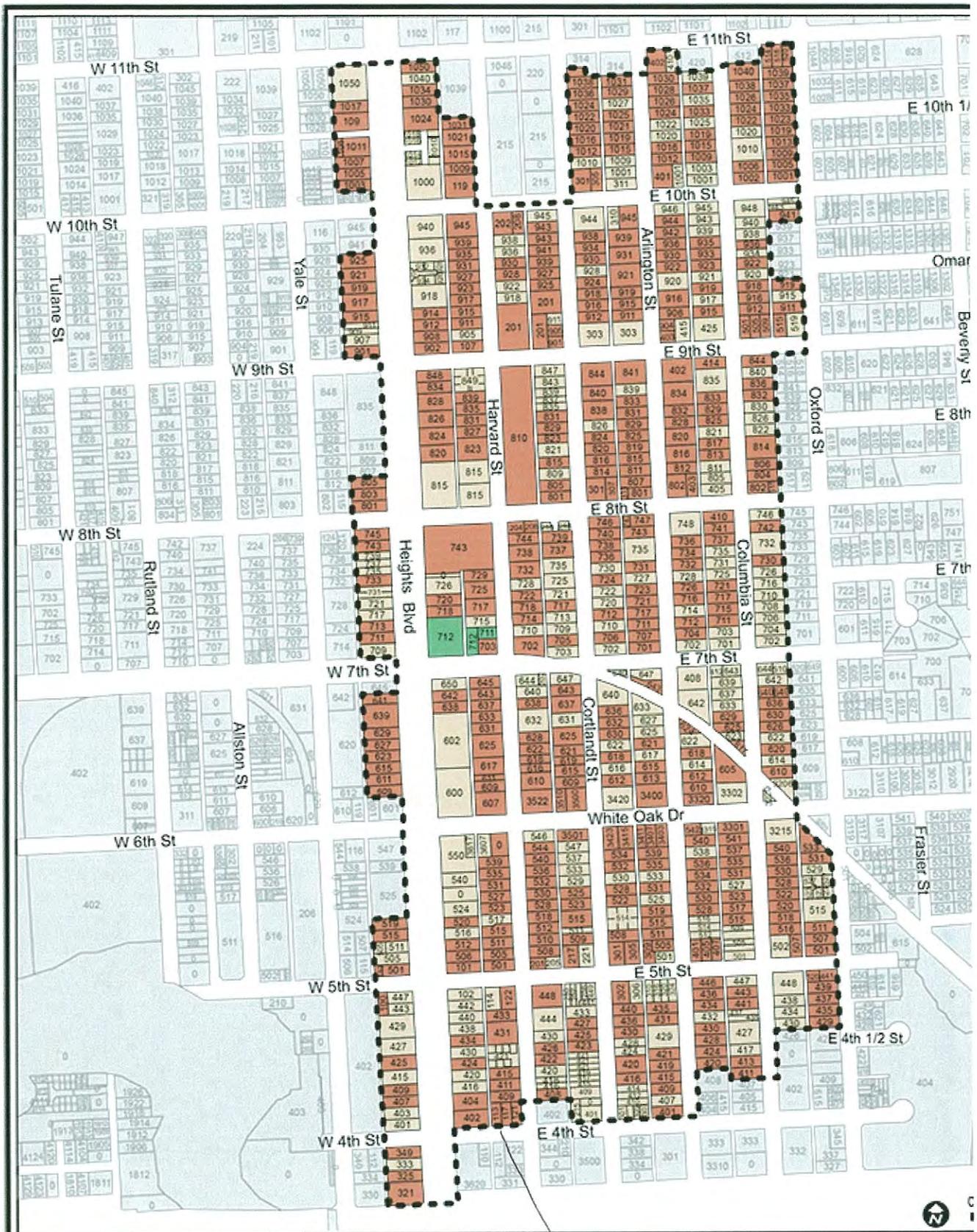
During the term of this Agreement, Terminix will:

- Install the Terminix Termite Baiting System
- Monitor the System
- Add termite bait to, and remove it from, the Terminix Termite Baiting System as appropriate.

Colony elimination or control is anticipated to occur within 6 to 24 months from commencement of the program, depending on geographical location, weather and/or other factors. During this period before colony elimination or control is achieved, new damage from subterranean termite infestation may occur. State regulations may require specific treatment standards be performed for liquid termite treatments. These standards will not be performed due to the fact that the Terminix Termite Baiting System is a conceptually different type of termite treatment. The termite bait used within the Terminix Termite Baiting System is registered for use in this state.

**2. CONTINUING PROTECTION**

Terminix will extend service annually to the Purchaser for so long as Purchaser may own the property for agreed price per year payable on or before the end of the previous annual period. After the third annual period and each annual period thereafter, Terminix reserves the right to revise the annual renewal charge.



# Houston Heights South Historic District

Established: Ju  
 Source: GIS Se  
 Date: 4/24/20  
 Reference: oi1

113 E 4<sup>th</sup> Street

**Historic District Boundary**

-----

**Building Classification**

 Contributing

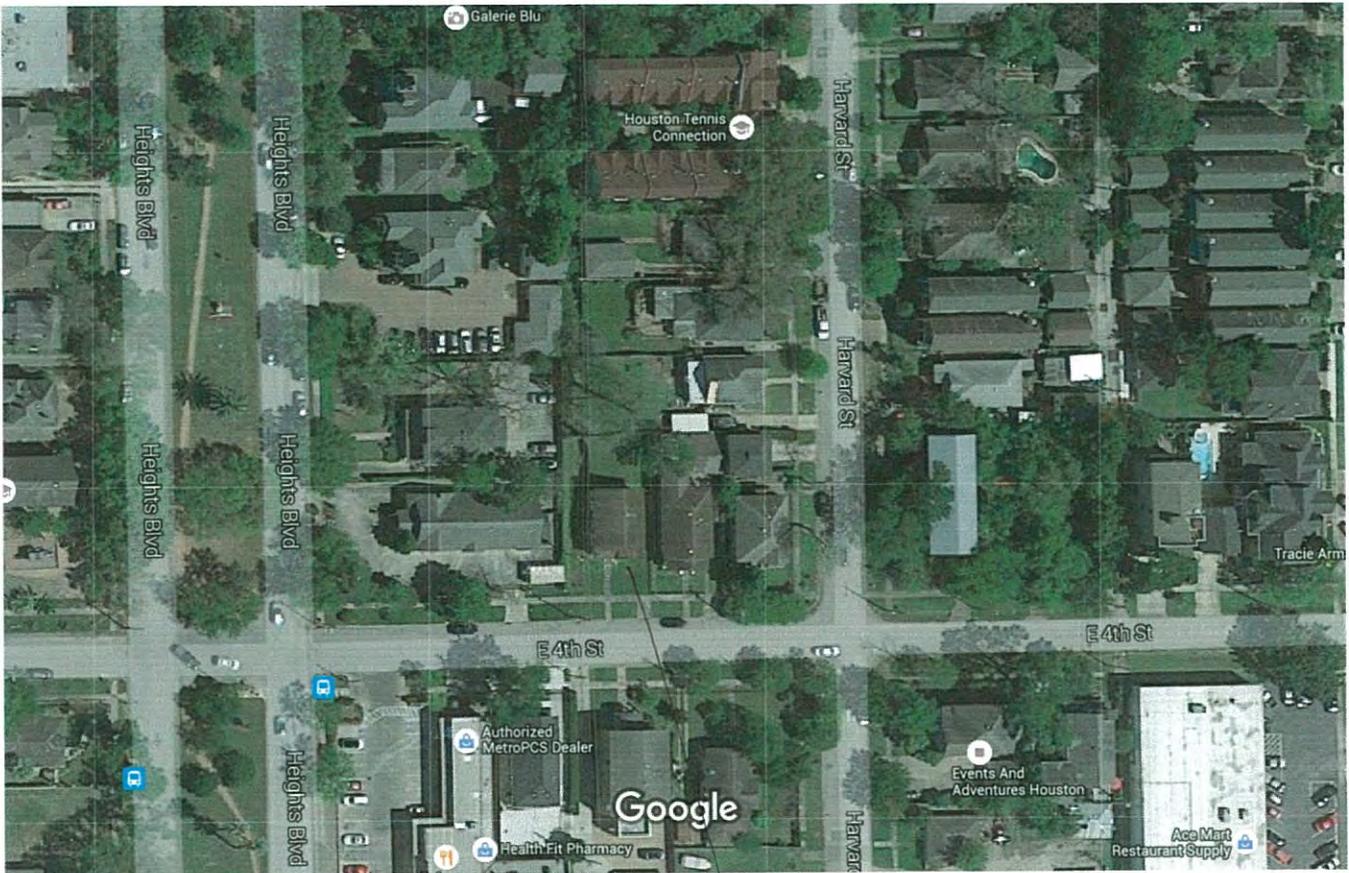
 Non-Contributing

 Park

This map is made only and should product. The liability of any



Google Maps Google Maps

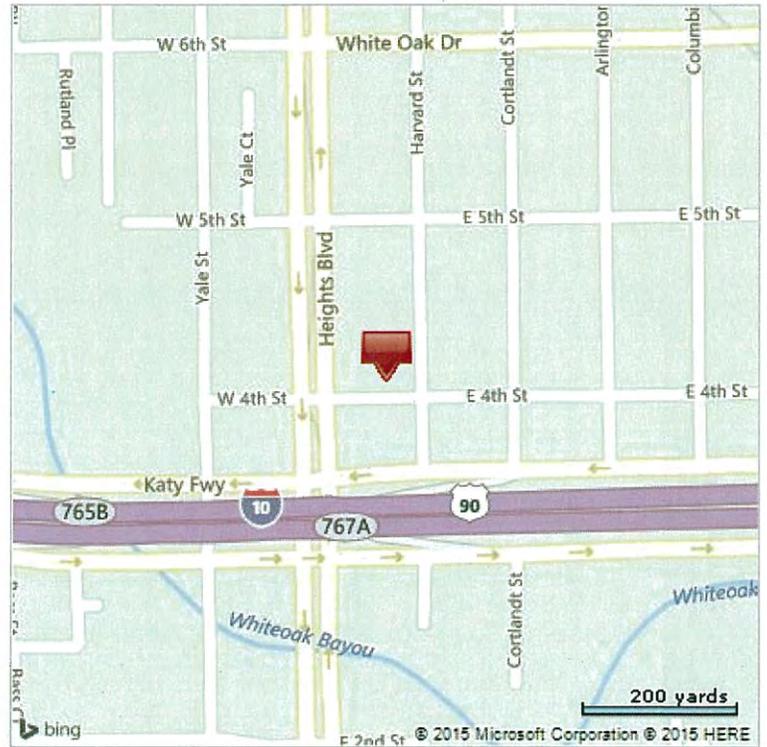
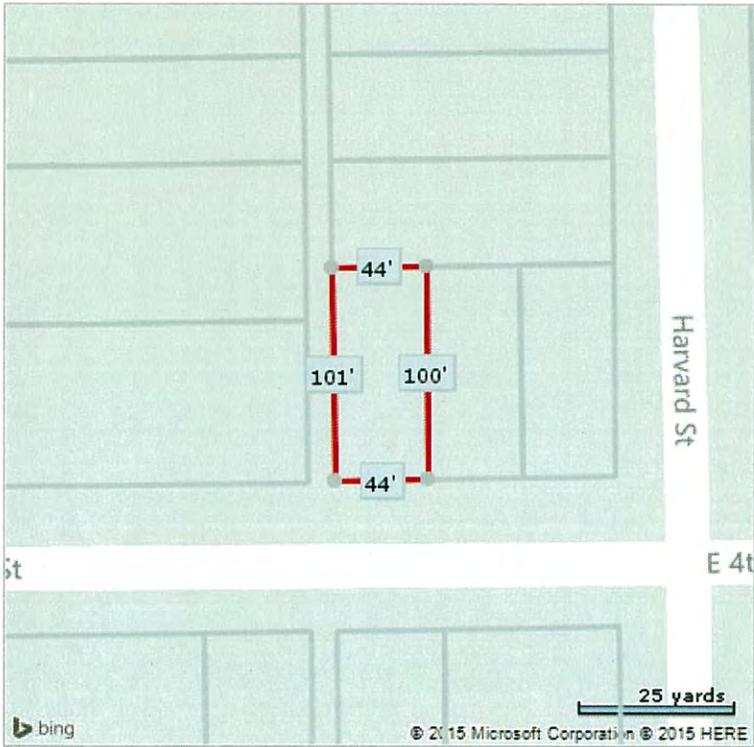


Imagery ©2015 DigitalGlobe, Houston-Galveston Area Council, Texas General Land Office, Texas Orthoimagery Program, U.S. 50 ft Geological Survey, Map data ©2015 Google

113 E 4th Street

# CITY SITE PLAN

## Property Map



\*Lot Dimensions are Estimated

113 E 4<sup>th</sup> Street  
Houston, TX 77007

Uniform Residential Appraisal Report

File # 150218

The purpose of this summary appraisal report is to provide the client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address **113 E 4th St** City **Houston** State **TX** Zip Code **77007-2501**  
 Owner **Estate of Moris A. Dayeh** Intended User **Barbara E. Kebodeaux** County **Harris**  
 Legal Description **Tracts 11B and 12B Block 301 HOUSTON HEIGHTS**  
 Assessor's Parcel # **021-033-000-0029** Tax Year **2014** R. E. Taxes **\$5,457**  
 Neighborhood Name **Houston Heights area** Map Reference **493F** Census Tract **5104**  
 Occupant  Owner  Tenant  Vacant  Special Assessments \$**None**  PUD HOA \$**None**  per year  per month  
 Property Rights Appraised  Fee Simple  Leasehold  Other (describe)  
 Intended Use: **Estimate market value for asset valuation**  
 Client **Barbara E. Kebodeaux** Address **8611 Kempridge, Houston, TX 77080-4311**  
 Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of the appraisal?  Yes  No  
 Report data source(s) used, offering price(s), and date(s). **HARMLS**

I  did  did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.  
 Contract Price \$ \_\_\_\_\_ Date of Contract \_\_\_\_\_ Is the property seller the owner of public record?  Yes  No Data Source(s) \_\_\_\_\_  
 Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the client?  Yes  No  
 If Yes, report the total dollar amount and describe the items to be paid: \_\_\_\_\_

**Note: Race and the racial composition of the neighborhood are not appraisal factors.**

Neighborhood Characteristics				One-Unit Housing Trends				One-Unit Housing		Percent Land Use %		
Location	<input checked="" type="checkbox"/> Urban	<input type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Property Values	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining	PRICE	AGE	One-Unit	84.0 %	
Built-Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25-75%	<input type="checkbox"/> Under 25%	Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	\$(000)	(yrs)	2-4 Unit	2.0 %	
Growth	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Slow	Marketing Time	<input checked="" type="checkbox"/> Under 3 mths	<input type="checkbox"/> 3-6 mths	<input type="checkbox"/> Over 6 mths	125	Low	New	Multi-Family	2.0 %
Neighborhood Boundaries <b>Loop 610 - north, Interstate 10 - south, North Shepherd - west, Houston Avenue and Interstate 45 - east.</b>								2,100	High	124	Commercial	10.0 %
								535	Pred.	75	Other	2.0 %

Neighborhood Description **The subject neighborhood is situated in the west central part of Houston. Many homes in the neighborhood have been updated, a large number with historical significance. The neighborhood is within close proximity to downtown Houston, Memorial Park, and the Galleria area. "Percent Land Use" described as "Other" reflects schools, parks, boulevards, and other green spaces.**  
 Market Conditions (including support for the above conclusions) **Extended marketing times have been experienced when the original list price has been too high. The subject property is not a foreclosure. In the subject neighborhood, there are not a significant amount of foreclosures. The foreclosures that do occur in the subject neighborhood are not considered to adversely affect the subject's value and/or marketability. \*\*\* See Additional Comments \*\*\***

Dimensions **44Fx100Lx44Rx100RS** Area **4400 +/- sq. ft.** Shape **Rectangular** View **N;Res;**  
 Specific Zoning Classification **Contributing Historic Structure** Zoning Description **Historic Structure in the Houston Heights South Historic District**  
 Zoning Compliance  Legal  Legal Nonconforming (Grandfathered Use)  No Zoning  Illegal (describe)  
 Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use?  Yes  No If No, describe  
**\*\*\* See Additional Comments \*\*\***

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements--Type		Public	Private
Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Water	<input checked="" type="checkbox"/>	Street	Asphalt	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Sanitary Sewer	<input checked="" type="checkbox"/>	Alley	Easement Only	<input checked="" type="checkbox"/>	<input type="checkbox"/>

FEMA Special Flood Hazard Area  Yes  No FEMA Flood Zone **X** FEMA Map No. **48201C0670M** FEMA Map Date **06/09/2014**  
 Are the utilities and off-site improvements typical for the market area?  Yes  No. If No, describe  
 Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)?  Yes  No If Yes, describe  
**The subject site is a typical interior lot which has an alleyway easement along its west property line which is currently an open ditch drain for the storm sewer system. The alley does not provide ingress or for the subject site. No adverse easements, encroachments, or other adverse conditions were noted; however, a survey was not provided at the time of appraisal. \*\*\* See Additional Comments \*\*\***

General Description		Foundation		Exterior Description		materials/condition		Interior		materials/condition	
Units	<input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input type="checkbox"/> Concrete Slab	<input checked="" type="checkbox"/> Crawl Space	Foundation Walls	<b>Block-Beam/Poor</b>	Floors	<b>HW,Vinyl/Poor</b>				
# of Stories	<b>1</b>	<input type="checkbox"/> Full Basement	<input type="checkbox"/> Partial Basement	Exterior Walls	<b>WdSiding/Fair</b>	Walls	<b>WdShth,WP/Poor</b>				
Type	<input checked="" type="checkbox"/> Det. <input type="checkbox"/> Alt. <input type="checkbox"/> S-Det/End Unit	Basement Area sq. ft.		Roof Surface	<b>Composition/Poor</b>	Trim/Finish	<b>OrigTrim/Fair</b>				
	<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish %		Gutters & Downspouts	<b>None</b>	Bath Floor	<b>Vinyl/Poor</b>				
Design (Style)	<b>Craftsman</b>	<input type="checkbox"/> Outside Entry/Exit	<input type="checkbox"/> Sump Pump	Window Type	<b>WdSH/Fair</b>	Bath Wainscot	<b>WdShth/Poor</b>				
Year Built	<b>1915</b>	Evidence of <input type="checkbox"/> Infestation		Storm Sash/Insulated	<b>None</b>	Car Storage	<b>None</b>				
Effective Age (Yrs)	<b>69</b>	<input type="checkbox"/> Dampness	<input type="checkbox"/> Settlement	Screens	<b>None</b>	<input checked="" type="checkbox"/> Driveway	# of Cars <b>2</b>				
Attic	<input type="checkbox"/> None	Heating	<input type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Amenities	<input type="checkbox"/> WoodStove(s)#	Driveway Surface	<b>Gravel</b>				
<input type="checkbox"/> Drop Stair	<input type="checkbox"/> Stairs	<input type="checkbox"/> Other	Fuel	Fireplace(s) #	<input checked="" type="checkbox"/> Fence <b>Wd/Chain</b>	Garage	# of Cars				
<input type="checkbox"/> Floor	<input checked="" type="checkbox"/> Scuttle	Cooling	<input type="checkbox"/> Central Air Conditioning	Patio/Deck	<input checked="" type="checkbox"/> Porch <b>Covered</b>	Carport	# of Cars				
<input type="checkbox"/> Finished	<input type="checkbox"/> Heated	<input type="checkbox"/> Individual	<input type="checkbox"/> Other	Pool	<input type="checkbox"/> Other	Alt.	Det.	<input type="checkbox"/> Built-in			

Appliances  Refrigerator  Range/Oven  Dishwasher  Disposal  Microwave  Washer/Dryer  Other (describe)  
 Finished area above grade contains: **5 Rooms 2 Bedrooms 1 Bath(s) 1,102 Square Feet of Gross Living Area Above Grade**  
 Additional features (special energy efficient items, etc.) **Covered porch, patio, wood and chain link fence, high ceilings**  
 Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). **The subject's roof covering appears to be at the end of its useful life. Rotten and/or damaged exterior and interior wood parts were observed. The interior paint and floor coverings were in poor**

Uniform Residential Appraisal Report

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There are N/A comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ N/A to \$ N/A

There are N/A comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ N/A to \$ N/A

FEATURE	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3	
Address	113 E 4th St Houston, TX 77007-2501	511 Arlington Houston, TX 77007-2619	1832 Columbia Houston, TX 77008-4348	4602 Pineridge Houston, TX 77009-4425	
Proximity to Subject		0.20 miles NE	1.74 miles N	1.50 miles NE	
Sale Price	\$	\$ 420,000	\$ 465,000	\$ 347,678	
Sale Price/Gross Liv. Area	\$ sq. ft.	\$ 362.69 sq. ft.	\$ 448.84 sq. ft.	\$ 352.97 sq. ft.	
Data Source(s)		HARMLS #11409721/HCAD;DOM 27	HARMLS #73244548/HCAD;DOM 4	HARMLS #11611824/HCAD;DOM 4	
Verification Source(s)		Realist/Listing Realtor	Realist/Listing Realtor	Realist/Listing Realtor	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-)\$ Adjustment	DESCRIPTION	+(-)\$ Adjustment
Sale or Financing		SC 0		SC 0	
Concessions		Conventional		Cash	
Date of Sale/Time		s05/27/15;c04/23/15		s11/05/14;c10/07/14	
Location	Historic District	Historic District		Historic District/Sup	-22,500
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple	
Site	4400 +/- sq. ft.	6600 +/- sq. ft.	-110,000	6600 +/- sq. ft.	-110,000
View	Average	Average		Average	
Design (Style)	Craftsman	Bungalow		Craftsman	
Quality of Construction	Average	Average		Average	
Actual Age	A100/E69	90		100	
Condition	Poor	Poor		Average	-35,000
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths		Total Bdrms. Baths	
Room Count	5 2 1	5 2 1		5 2 1	
Gross Living Area	1,102 sq. ft.	1,158 sq. ft.	-300	1,036 sq. ft.	+300
Basement & Finished	None	None		None	
Rooms Below Grade					
Functional Utility	Average	Average		Average	
Heating/Cooling	None	CACH	-500	CACH	-500
Energy Efficient Items	None	Attic	Net 0	Attic	Net 0
Garage/Carport	None	2 Det Garage	-25	None	1 Det Garage
Porch/Patio/Deck	CvrdPorch	CvrdPorch		CvrdPorch	
	No FP	No FP		No FP	
	Alley (Non-Functional)	Alley (Functional)	-12,500	Alley (Non-Functional)	
List/Asking Price	N/A	\$489,000		\$430,000	
Net Adjustment (Total)		\$ -123,325		\$ -167,700	
Adjusted Sale Price of Comparables		Net Adj. 29.36 % Gross Adj. 29.36 %		Net Adj. 36.06 % Gross Adj. 36.19 %	
		\$ 296,675		\$ 297,300	

SALES COMPARISON

did  did not research the sale or transfer history of the subject property and comparable sales. If not, explain

My research  did  did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source(s) HARMLS/Realist

My research  did  did not reveal any prior sales or transfers of the comparable sales for the prior year to the date of sale of the comparable sale.

Data Source(s) HARMLS/Realist

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

ITEM	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3
Date of Prior Sale/Transfer				
Price of Prior Sale/Transfer				
Data Source(s)	HARMLS/Realist	HARMLS/Realist	HARMLS/Realist	HARMLS/Realist
Effective Date of Data Source(s)	09/08/2015	09/08/2015	09/08/2015	09/08/2015

Analysis of prior sale or transfer history of the subject property and comparable sales

Summary of Sales Comparison Approach Adjustments were made for differences in living areas, lot sizes, heating/cooling systems, and car storage facilities where appropriate. Comps 1 and 4 were adjusted for their navigable alleys which is important in the neighborhood due to the easy access they provide for car storage facilities without causing a large loss of recreational land area that a driveway from the front street would cause. Comp 2 was adjusted for its superior physical condition at the time of sale. This property had been updated within 18 months of its closing date. Comps 2 through 4 were adjusted for their more desirable locations within the subject neighborhood. Typically the area south of 6th Street is considered inferior due to its proximity to Interstate 10 and commercial properties which is reflected in lower land values and lower predominant values. The "Location" adjustment was determined using the paired sales analysis of Comp 1 compared with the other comparables. Support was provided by Land Sale #2. \*\*\* See Additional Comments \*\*\*

Indicated Value by Sales Comparison Approach \$296,000

**Uniform Residential Appraisal Report**

File # 150218

The subject's estimated exposure time and estimated marketing time are considered to be less than 90 days.

**ADDITIONAL CERTIFICATIONS:**

Definition of Market Value: The source of the Definition of Market Value utilized in this report is the Federal Register 12CFR Part 34.42.

The intended User of this appraisal report is Barbara E. Kebodeaux. The Intended Use is to evaluate the property that is the subject of this appraisal for asset valuation purposes, subject to the stated Scope of Work, purpose of the appraisal, reporting requirements of this appraisal report form, and the Definition of Market Value. No additional intended users are identified by the appraiser.

This appraiser has not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

This Report is an Appraisal Report, i.e., a written report prepared under Standards Rule 2-2 (a), pursuant to the Scope of Work, as disclosed elsewhere in this report.

USPAP 2014-2015 Compliance: This appraisal form indicates it is a summary appraisal report. This form has not been updated by FNMA/FHLMC to conform with USPAP 2014-2015. The current USPAP deleted the three types of appraisal reports known as Self-Contained, Summary, and Restricted Use and has replaced them with the "Appraisal Report" and the "Restricted Appraisal Report". This product is an "Appraisal Report".

ADDITIONAL COMMENTS

**COST APPROACH TO VALUE**

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value)

Land Sale #1: Address - 1027 Arlington, Sales price - \$525,900, or say, \$79.68psf, Lot size - 6600sf, Date closed - 03/31/2015, Remarks - Cleared building site, Historic District, Source - HARMLS #81318443. Land Sale #2: Address - 432 Oxford, Sales price - \$283,000, or say, \$78.98psf, Lot size - 3577sf, Date closed - 07/10/2015, Remarks - Uncleared building site, not in Historic District, Source - HARMLS #81318443.

COST

ESTIMATED	<input type="checkbox"/>	REPRODUCTION OR	<input checked="" type="checkbox"/>	REPLACEMENT COST NEW	OPINION OF SITE VALUE.....	=\$	335,000	
Source of cost data	Cost Handbook/Area Builders			Dwelling	1,102 Sq. Ft. @ \$	120	=\$ 132,240	
Quality rating from cost service	Historic			Effective date of cost data	Current	BSMT	Sq. Ft. @ \$ .....=\$	
Comments on Cost Approach (gross living area calculations, depreciation, etc.)								
Physical depreciation was estimated on an observed age/life basis. The subject's external obsolescence is reflected in the Cost Approach by a depreciated Total Estimated Cost New. This condition is caused by the adverse effect on value by the restrictions placed on the subject improvements by the City of Houston Preservation Ordinance of October 2010. *** See Additional Comments ***				Garage/Carport	Sq. Ft. @ \$	.....=\$		
				Total Estimate of Cost-New .....=\$ 132,240				
				Less	Physical	Functional	External	
				Depreciation	130,389		39,000	.....=\$ ( 169,389 )
				Depreciated Cost of Improvements.....=\$ -37,149				
				'As-is' Value of Site Improvements.....=\$ 500				
Estimated Remaining Economic Life (HUD and VA only)				1	Years	Indicated Value By Cost Approach.....=\$ 298,351		

APPROACH

**INCOME APPROACH TO VALUE**

Estimated Monthly Market Rent \$ N/A X Gross Rent Multiplier N/A = \$ Indicated Value by Income Approach

Summary of Income Approach (including support for market rent and GRM)

INCOME

**PROJECT INFORMATION FOR PUDs (if applicable)**

Is the developer/builder in control of the Homeowners' Association (HOA)?  Yes  No Unit type(s)  Detached  Attached

Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal name of project

Total number of phases	Total number of units	Total number of units sold
Total number of units rented	Total number of units for sale	Data Source(s)

PUD

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This report form is designed to report an appraisal of a one-unit property or a one-unit property with an accessory unit; including a unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a condominium or cooperative project.

This appraisal report is subject to the scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. The Appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment.

**SCOPE OF WORK:** The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a visual inspection of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

**DEFINITION OF MARKET VALUE:** The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions\* granted by anyone associated with the sale.

\*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

**STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS:** The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

## Uniform Residential Appraisal Report

File # 150218

**APPRAISER'S CERTIFICATION:** The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned

**Uniform Residential Appraisal Report**

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- 20. I identified the client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.
- 21. I am aware that any disclosure or distribution of this appraisal report by me or the client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.
- 22. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

**SUPERVISORY APPRAISER'S CERTIFICATION:** The Supervisory Appraiser certifies and agrees that:

- 1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
- 2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
- 3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
- 4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
- 5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

**APPRAISER**

Signature *Paul Fruge Jr.*  
 Name Paul Fruge Jr.  
 Company Name The Fruge Appraisal Group  
 Company Address 1241 Omar St  
Houston, TX 77008  
 Telephone Number 713-825-8474  
 Email Address [REDACTED]  
 Date of Signature and Report September 16, 2015  
 Effective Date of Appraisal 09/08/2015  
 State Certification # 1320566  
 or State License # \_\_\_\_\_  
 or Other \_\_\_\_\_  
 State TX  
 Expiration Date of Certification or License 4/30/2017

**SUPERVISORY APPRAISER (ONLY IF REQUIRED)**

Signature \_\_\_\_\_  
 Name \_\_\_\_\_  
 Company Name \_\_\_\_\_  
 Company Address \_\_\_\_\_  
 Telephone Number \_\_\_\_\_  
 Email Address \_\_\_\_\_  
 Date of Signature \_\_\_\_\_  
 State Certification # \_\_\_\_\_  
 or State License # \_\_\_\_\_  
 State \_\_\_\_\_  
 Expiration Date of Certification or License \_\_\_\_\_

ADDRESS OF PROPERTY APPRAISED  
 113 E 4th St

**SUBJECT PROPERTY**

- Did not inspect subject property
- Did inspect exterior of subject property from street



**ADDITIONAL COMMENTS**Intended User **Barbara E. Kebodeaux**Property Address **113 E 4th St**City **Houston**County **Harris**State **TX**Zip Code **77007-2501**Client **Barbara E. Kebodeaux****MARKET CONDITIONS**

Per the HARMLS, there were 47 SFRA (no condos) sales in the subject neighborhood from 07/15/2014 to 07/15/2015. The median sales price for this time period was \$350,000, or say, \$202.07 per square foot of living area and the median days-on-market was 24 days. There are currently 16 active listings and 12 pending sales. For the previous 12 month period from 07/15/2013 to 07/15/2014, there were 27 SFRA (no condo's) with a median sales price of \$399,900, or say, \$187.07 per square foot of living area and a median days-on-market of 15 days. Per the HARMLS, there were 752 SFRD sales in the subject neighborhood from 07/15/2014 to 07/15/2015. The median sales price for this time period was \$530,000, or say, \$272.17 per square foot of living area and the median days-on-market was 28 days. There are currently 319 active listings and 116 pending sales. For the previous 12 month period from 07/15/2013 to 07/15/2014, there were 802 SFRD sales with a median sales price of \$450,000, or say, \$252.66 per square foot of living area and a median days-on-market of 16 days.

Per the HARMLS, there were 47 SFRA (no condos) sales in the subject neighborhood from 07/15/2014 to 07/15/2015. The median sales price for this time period was \$350,000, or say, \$202.07 per square foot of living area and the median days-on-market was 24 days. There are currently 16 active listings and 12 pending sales. For the previous 12 month period from 07/15/2013 to 07/15/2014, there were 27 SFRA (no condo's) with a median sales price of \$399,900, or say, \$187.07 per square foot of living area and a median days-on-market of 15 days.

**ZONING COMPLIANCE**

There is no zoning in the city of Houston. This condition is common for the Houston PMSA and is well accepted in the marketplace by the typical buyer.

**HIGHEST AND BEST USE**

"The subject is a legally permissible use based on its current zoning. Also, the lot size, shape and land-to-building ratio allow the present structure and indicate a good utilization of the improvements. Based on current market conditions, the existing structure as a single family residence is its financially feasible and maximally productive use. The highest and best use, as if vacant, would be to construct a single family residence."

The subject is contained in a City of Houston designated historic district, the Houston Heights South Historic District and as such must comply with the City of Houston's Preservation Ordinance of October 2010. The subject improvements are classified as being a "Contributing" historic structure and cannot be demolished or moved from its site. Any exterior improvements, alterations, and/or building additions must be in compliance with the Preservation Ordinance and must be approved by the Houston Archaeological and Historic Commission.

**ADVERSE SITE CONDITIONS AND/OR EXTERNAL FACTORS**

The subject's lot dimensions were obtained from the Harris County Facet Plat Maps.

**SALES COMPARISON APPROACH**

In the correlation of value, equal weight was placed on all comparables due to their narrow range of indicated values. Please note that all of the comparables used in this report are contained in a City of Houston designated historic district. Minimal adjustments for differences in physical characteristics of their respective structures were made since all the sale are in the process of having large scale renovation/modernization projects.

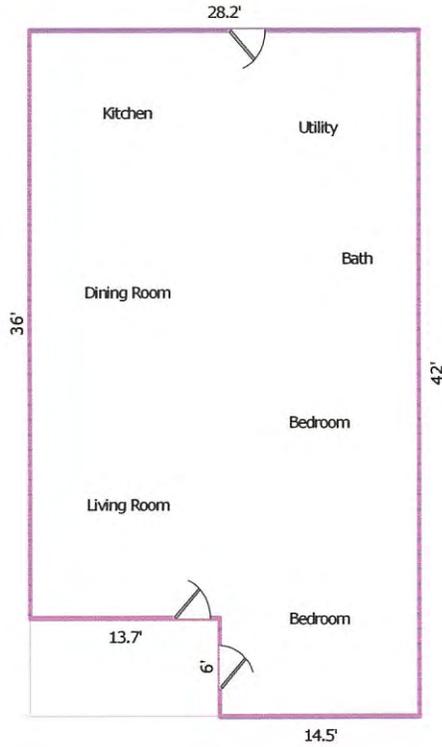
High line, net and/or gross adjustments were caused by substantially larger lot sizes. Although these adjustments may exceed guidelines, they are considered to be fair and reasonable.

**COMMENTS ON COST APPROACH**

The subject improvements are considered a "contributing" historic structure and as such may not be demolished or moved from its site. Improvements and/or building additions to the structure must be in compliance with the Preservation Ordinance and approved by the Houston Archaeological and Historic Commission. This ordinance has caused limitations on the redevelopment of the property and has also caused extended periods of time necessary to navigate the process in order to obtain approved city building permits. The subject's estimated site value is "AS IF" vacant and not encumbered by a historic structure.

## SKETCH ADDENDUM

Intended User **Barbara E. Kebodeaux**  
 Property Address **113 E 4th St**  
 City **Houston** County **Harris** State **TX** Zip Code **77007-2501**  
 Client **Barbara E. Kebodeaux**



Sketch by Apex Medina™

Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	1102.2	1102.2

LIVING AREA BREAKDOWN		
	Breakdown	Subtotals
First Floor		
	36.0 x 28.2	1015.2
	6.0 x 14.5	87.0

Location Map

Intended User Barbara E. Kebodeaux

Property Address 113 E 4th St

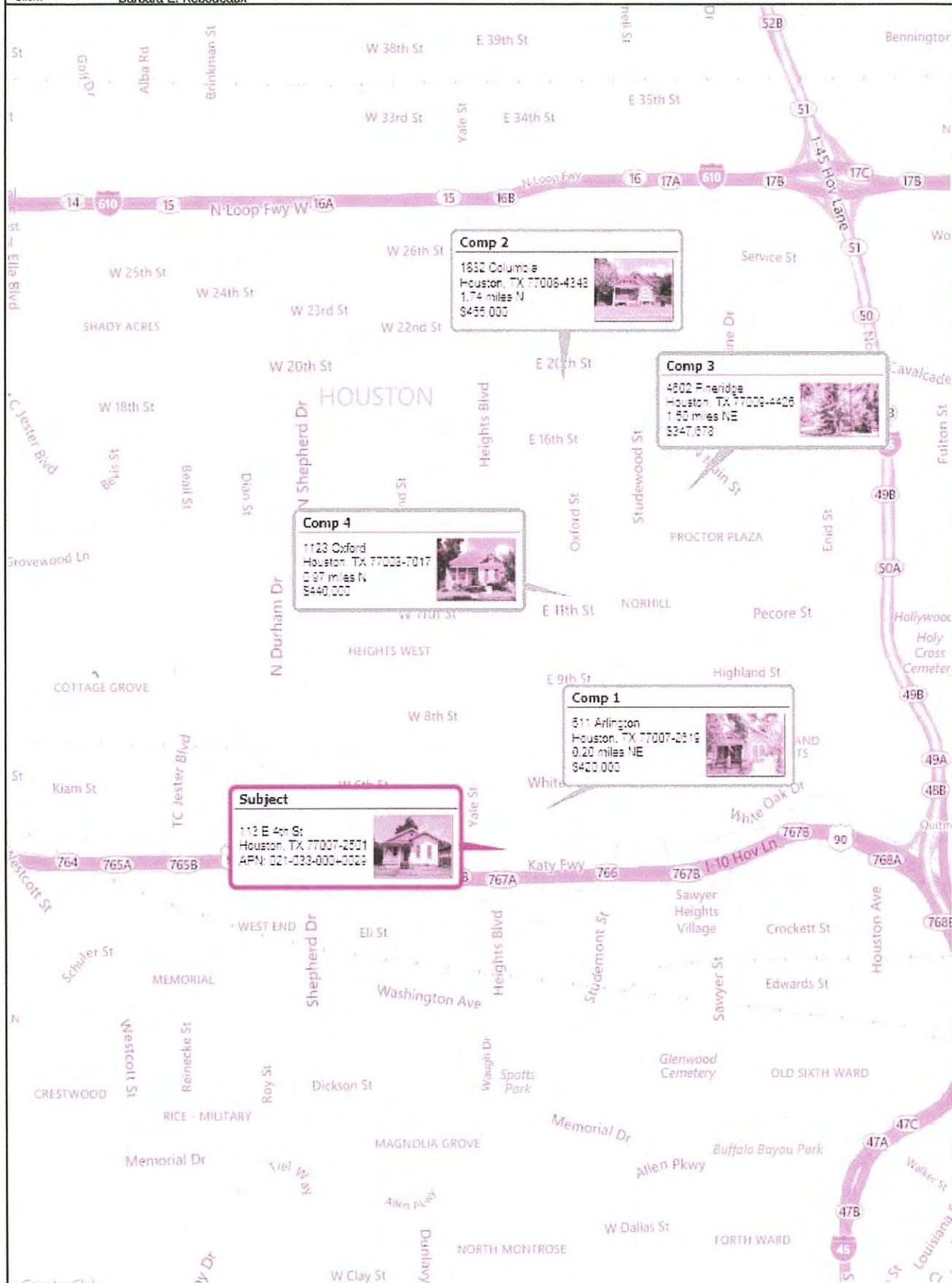
City Houston

County Harris

State TX

Zip Code 77007-2501

Client Barbara E. Kebodeaux



# FLOOD MAP

Intended User **Barbara E. Kebodeaux**

Property Address **113 E 4th St**

City **Houston**

County **Harris**

State **TX**

Zip Code **77007-2501**

Client **Barbara E. Kebodeaux**



## Flood Zones

- Areas inundated by 500-year flooding
- Areas outside of the 100- and 500-year flood plains
- Areas inundated by 100-year flooding
- Areas inundated by 100-year flooding with velocity hazard

- Floodway areas
- Floodway areas with velocity hazard
- Areas of undetermined but possible flood hazards
- Areas not mapped on any published FIRM

## Flood Zone Determination

**PHOTOGRAPH ADDENDUM**

Intended User **Barbara E. Kebodeaux**

Property Address **113 E 4th St**

City **Houston**

County **Harris**

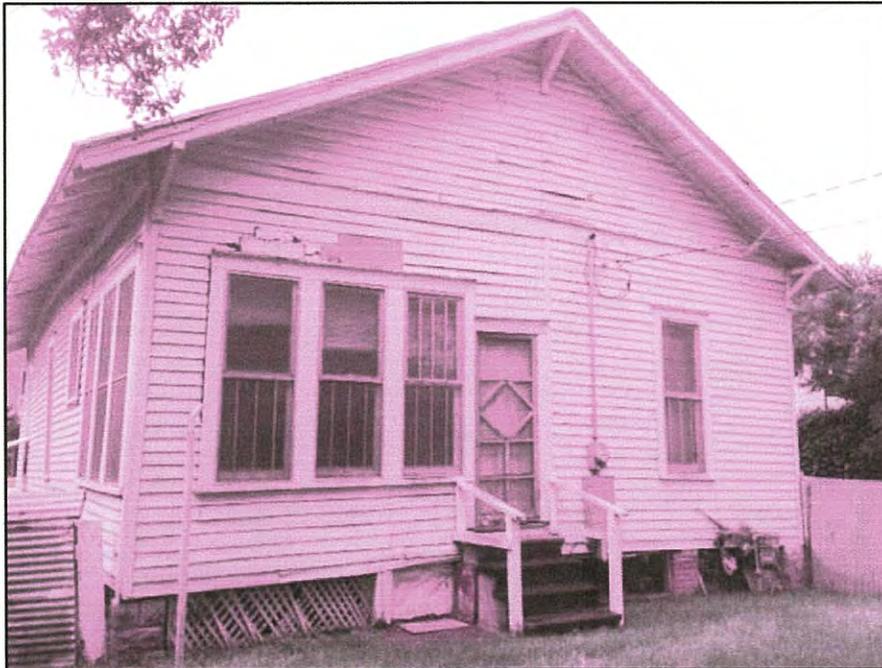
State **TX**

Zip Code **77007-2501**

Client **Barbara E. Kebodeaux**



**FRONT VIEW OF  
SUBJECT PROPERTY**



**REAR VIEW OF  
SUBJECT PROPERTY**



**STREET SCENE OF  
SUBJECT PROPERTY**

PHOTOGRAPH ADDENDUM

Intended User Barbara E. Kebodeaux

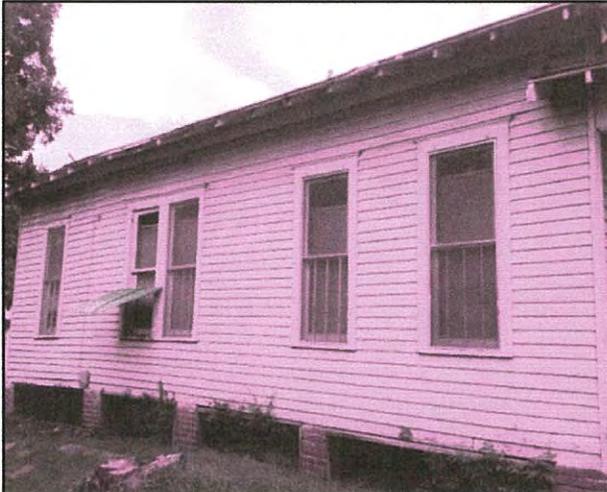
Property Address 113 E 4th St

City Houston County Harris State TX Zip Code 77007-2501

Client Barbara E. Kebodeaux



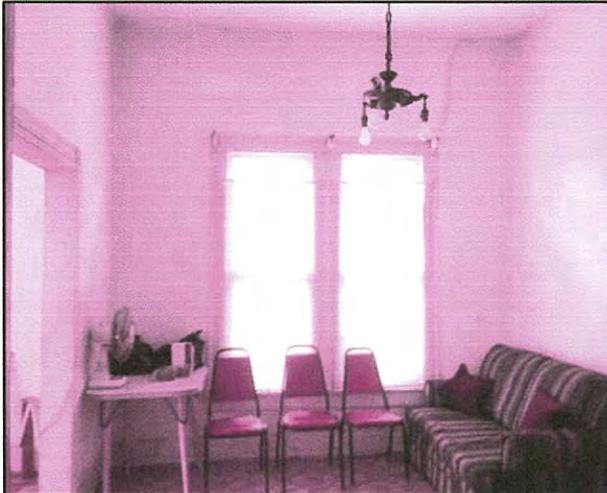
113 E 4th St  
RIGHTSIDE VIEW



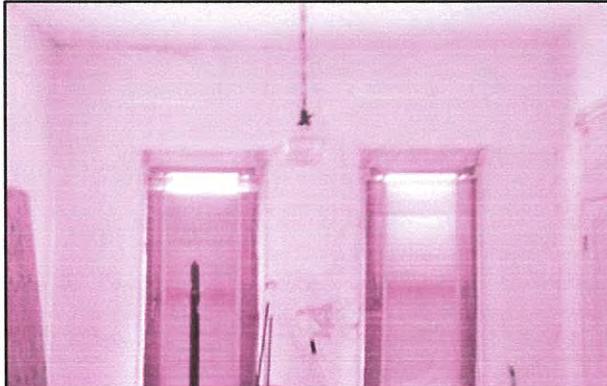
113 E 4th St  
LEFTSIDE VIEW



113 E 4th St  
LIVING ROOM



113 E 4th St  
DINING ROOM

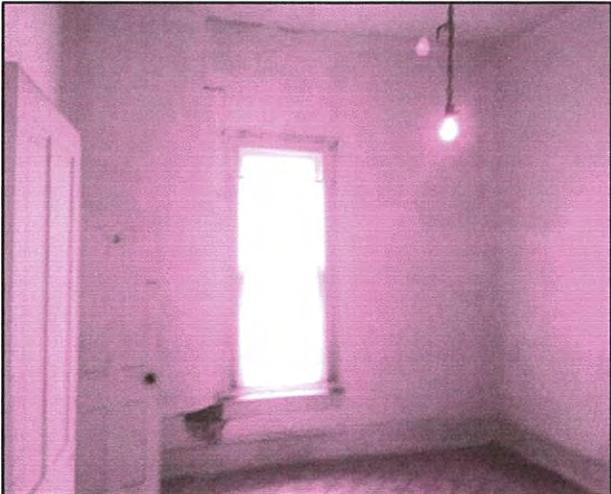


PHOTOGRAPH ADDENDUM

Intended User Barbara E. Kebodeaux  
Property Address 113 E 4th St  
City Houston County Harris State TX Zip Code 77007-2501  
Client Barbara E. Kebodeaux



113 E 4th St  
BATH



113 E 4th St  
BEDROOM - REAR



113 E 4th St  
UTILITY



113 E 4th St  
ROTTEN ROOF DECKING



PHOTOGRAPH ADDENDUM

Intended User Barbara E. Kebodeaux

Property Address 113 E 4th St

City Houston County Harris State TX Zip Code 77007-2501

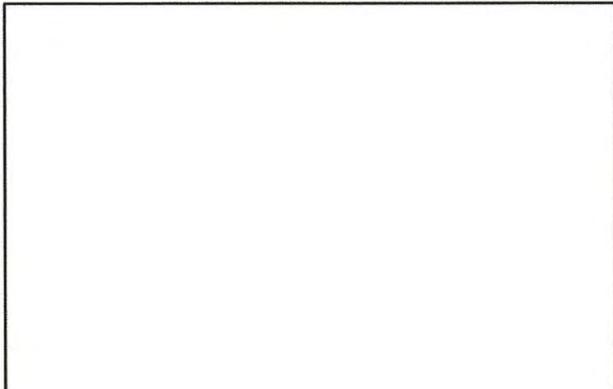
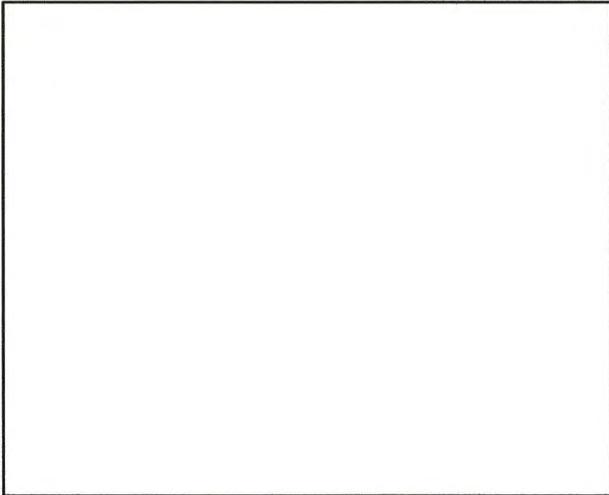
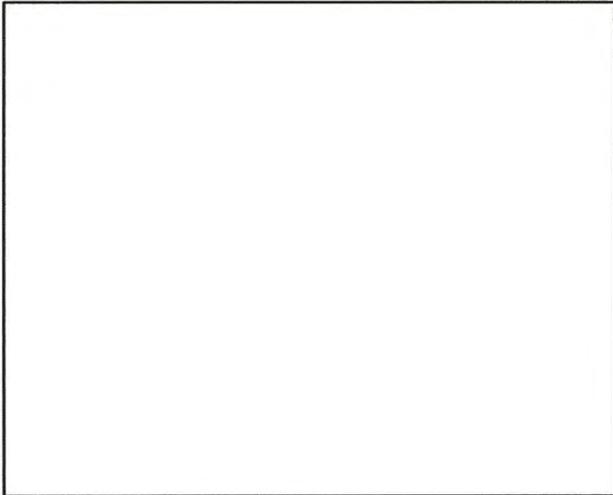
Client Barbara E. Kebodeaux



113 E 4th St  
POOR ROOF COVERING



113 E 4th St  
STREET SCENE - OPPOSITE VIEW



**PHOTOGRAPH ADDENDUM**

Intended User Barbara E. Kebodeaux

Property Address 113 E 4th St

City Houston

County Harris

State TX

Zip Code 77007-2501

Client Barbara E. Kebodeaux

**COMPARABLE #1**511 Arlington  
Houston, TX 77007-2619

Price	\$420,000
Price/SF	362.69
Date	s05/27/15;c04/23/15
Age	90
Room Count	5-2-1
Living Area	1,158

**Value Indication** \$296,675**COMPARABLE #2**1832 Columbia  
Houston, TX 77008-4348

Price	\$465,000
Price/SF	448.84
Date	s11/05/14;c10/07/14
Age	100
Room Count	5-2-1
Living Area	1,036

**Value Indication** \$297,300**COMPARABLE #3**4602 Pineridge  
Houston, TX 77009-4425

Price	\$347,678
Price/SF	352.97
Date	s07/23/15;c07/03/15
Age	85

## PHOTOGRAPH ADDENDUM

Intended User Barbara E. Kebodeaux

Property Address 113 E 4th St

City Houston

County Harris

State TX

Zip Code 77007-2501

Client Barbara E. Kebodeaux



## COMPARABLE #4

1123 Oxford  
Houston, TX 77008-7017

Price	\$440,000
Price/SF	326.89
Date	s04/20/15;c03/08/15
Age	110
Room Count	6-3-2
Living Area	1,346

Value Indication \$293,290

## COMPARABLE #5

Price	\$
Price/SF	
Date	
Age	
Room Count	--
Living Area	

Value Indication \$

## COMPARABLE #6

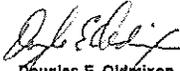
Price	\$
Price/SF	
Date	
Age	

**APPRAISER'S STATE CERTIFICATION**Intended User **Barbara E. Kebodeaux**Property Address **113 E 4th St**City **Houston**County **Harris**State **TX**Zip Code **77007-2501**Client **Barbara E. Kebodeaux****Texas Appraiser Licensing and Certification Board**

P.O. Box 12188 Austin, Texas 78711-2188

**Certified Residential Real Estate Appraiser**Number: **TX 1320566 R**Issued: **04/29/2015**Expires: **04/30/2017**Appraiser: **PAUL FRUGE JR**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Texas Occupations Code, Chapter 1103, is authorized to use this title, Certified Residential Real Estate Appraiser.

  
Douglas E. Oldmixon  
Commissioner

**Mailing Address:**  
Information & Assistance Division  
P.O. BOX 922004  
Houston, TX 77292-2004



# HARRIS COUNTY APPRAISAL DISTRICT

## NOTICE OF APPRAISED VALUE FOR PROPERTY TAX PURPOSES

This is NOT a tax bill. Do NOT pay from this notice.

Tax Year: 2014

iFile Number: 23913808

[www.hcad.org/iFile](http://www.hcad.org/iFile)

PROPERTY DESCRIPTION: 03/31/2014  
TRS 11B & 12B BLK 301  
HOUSTON HEIGHTS

Please use this ACCOUNT NUMBER → 0210330000029  
when inquiring about your property.



2014 0210330000029 03/31/2014 0000007382  
MORIS A DAYEH  
MORIS A DAYEH LIVING TRUST  
8611 KEMPRIDGE ST  
HOUSTON TX 77080-4311

PROPERTY LOCATION:  
113 E 4TH ST  
HOUSTON, TX 77007

Dear Property Owner:

This letter is your official notice of the 2014 property tax appraisal for the account listed above. Harris County Appraisal District (HCAD) appraises all of the property in Harris County for property tax purposes. Your county, city, school district, and other local governments use the appraisal in calculating your property taxes. Property taxes support critical services such as schools, police and fire protection, street maintenance, and many others.

As reported by many local and national news outlets, the Harris County real estate market has shown rapid growth over the last year. We are required to appraise property at the price for which it would have sold on January 1 in the open market. In our 2014 reappraisal, our appraisers took great care to ensure your property data was correct and that your value reflects all information available to us. You can find much more information about the reappraisal on our website at [www.hcad.org/2014Values](http://www.hcad.org/2014Values).

As of January 1, 2014, we appraised your property as shown below:

**2014 Market Value:** \$278,933

**2014 Appraised Value\*:** \$212,297

There is much more information about the appraisal on the back of this letter. If you believe our market value appraisal is not accurate, you should file a protest with the Appraisal Review Board of Harris County. I have enclosed more information about the protest process with this letter. The early deadline for filing a residential protest is May 1, 2014. If you miss that date, you can still file until the final deadline of June 2, 2014, or 30 days after the date this letter was mailed, whichever was later. I have also included a protest form, but the easiest way to protest is to file online at [www.hcad.org/ifile](http://www.hcad.org/ifile), using the iFile number in the upper right corner of the page. You will need to create a user name and password if you have not already done so. After filing you may also wish to take advantage of our online settlement process, called iSettle™. You can find more information about iFile and iSettle™ at [www.hcad.org](http://www.hcad.org).

Sincerely,

Sands L. Stiefer, R.P.A.  
Chief Appraiser  
Harris County Appraisal District

\*If you have a homestead exemption and your appraisal increased by more than 10%, your 2014 appraised value will be less than the 2014 market value.

**Mailing Address:**  
Information & Assistance Division  
P.O. BOX 922004  
Houston, TX 77292-2004



# HARRIS COUNTY APPRAISAL DISTRICT

## NOTICE OF APPRAISED VALUE FOR PROPERTY TAX PURPOSES

This is NOT a tax bill. Do NOT pay from this notice.

Tax Year: 2015

iFile Number: 14844822

[www.hcad.org/iFile](http://www.hcad.org/iFile)

PROPERTY DESCRIPTION: 03/31/2015  
TRS 11B & 12B BLK 301  
HOUSTON HEIGHTS

Please use this ACCOUNT NUMBER → 0210330000029  
when inquiring about your property.



2015 0210330000029 03/31/2015 0000003214  
MORIS A DAYEH  
MORIS A DAYEH LIVING TRUST  
8611 KEMPRIDGE ST  
HOUSTON TX 77080-4311

PROPERTY LOCATION:  
113 E 4TH ST  
HOUSTON, TX 77007

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As reported by many local and national news outlets, the Harris County real estate market has continued to show rapid growth over the last year. We are required to appraise property at the price for which it would have sold on January 1 in the open market. In our 2015 reappraisal, our appraisers took great care to ensure your property data was correct and that your value reflects all information available to us. You can find additional information about the reappraisal on our website at [www.hcad.org/2015Values](http://www.hcad.org/2015Values).

As of January 1, 2015, we appraised your property as shown below:

**2015 Market Value:** \$296,058

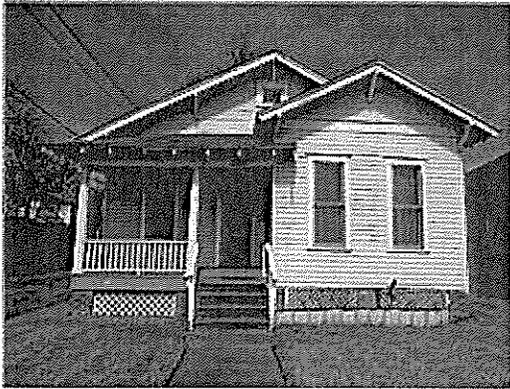
**2015 Appraised Value\*:** \$233,526

There is more information about the appraisal on the back of this letter. If you believe our market value appraisal is not accurate, you should file a protest with the Appraisal Review Board of Harris County. I have enclosed more information about the protest process with this letter. The early deadline for filing a residential protest is April 30, 2015. If you miss that date, you can still file until the final deadline of June 1, 2015, or 30 days after the date this letter was mailed, whichever was later. I have also included a protest form, but the easiest way to protest is to file online at [www.hcad.org/iFile](http://www.hcad.org/iFile), using the iFile number in the upper right corner of the page. You will need to create a user name and password if you have not already done so. After filing you may also wish to take advantage of our online settlement process, called iSettle™. You can find more information about iFile and iSettle™ at [www.hcad.org](http://www.hcad.org).

Sincerely,

Sands L. Stiefer, R.P.A.  
Chief Appraiser  
Harris County Appraisal District

\*If you have a homestead exemption and your 2015 market value increased by more than 10%, your 2015 appraised value will be less than the market value.



**Single-Family** ML # 94557454 Status: **T** LP: \$425,000 LP/SF: \$96.59  
 County: Harris Tax Acc #: 021-033-000-0029 Priced at Lot Value Also For Lease: No  
 Area: 9 - Central North Location: 41 - Houston Mkt Area: Heights/Greater Heights KM: 493E  
 Addr: 113 E 4th St  City: Houston Zip: 77007 - 2501  
 Sub: Houston Heights Sec #: 0 State: Texas Country: United States  
 Master Planned Community: No Legal: TRS 11B & 12B BLK 301 HOUSTON HEIGHTS DOM: 109  
 SqFt: 1092/Appraisal District Lot Size: 4400/Appraisal District Year Built: 1920/Appraisal District PAR: Y  
 SchDist: 27 - Houston Elem: HARVARD ELEMENTARY Middle: HOGG MIDDLE SCHOOL High: REAGAN HIGH SCHOOL  
 SCHOOL INFO IS COMPUTER GENERATED AND MAY NOT BE ACCURATE OR CURRENT. BUYER MUST INDEPENDENTLY VERIFY AND CONFIRM ENROLLMENT.

**Media:**  11

Listing Broker: PLUS01/Houston Plus  
 Listing Agent: don/Don Heerensperger  
 Addr: 2615 Talina Way , Houston TX 77080  
 Email: thedonh@sbcglobal.net

**Office Information**

Office #: (713)460-0000 Ext:  
 Fax #: (713)462-8600  
 Office Web:  
 Agent Web: http://www.har.com/mrdonh  
 Licensed Supervisor:  
 Request an Appointment  
 Appt #: (281)686-3132/Agent  
 PM #:  
 Cell Phone:  
 Alternate #: (713)462-3132 /Home Office



**Description and Room Dimensions**

Style: <b>Traditional</b>	# Stories: <b>1</b>	New Construction: <b>No</b>	Builder Name:	# Bedrooms: <b>2 /</b>
Type: <b>Free Standing</b>	Approx Complete:	Access:	#FB/HB: <b>1/0</b>	
LotDim:	Acres: <b>/</b>	Family Rm:	Utility Rm: <b>13x9</b>	Garage: <b>0/</b>
Living: <b>13x13</b>	Dining: <b>13x11</b>	1st Bed: <b>13x13</b>	4th Bed:	Carpport: <b>0/</b>
Den:	Kitchn: <b>13x9</b>	2nd Bed: <b>13x11</b>	5th Bed:	FrntDoorFaces: <b>South</b>
Game Rm:	Brkfst:	3rd Bed:	Gar/Car:	
Study:	ExtraRm:	Media:	Show: <b>Appointment Required</b>	

Agent Remarks:

Dir: **1-10 to height blvd, turn north to 4 th st**

Physical Property Description - Public: **2 bedrm, one bath in Heights preservation dist.no sellers disclosure-inheritance**

**Interior, Exterior, Utilities and Additional Information**

Microwave: <b>No</b>	Dishwasher: <b>No</b>	Cmpctr: <b>No</b>	Dispsl: <b>No</b>	SeplceMkr:	Oven:	Range:
Fireplace: <b>/</b>		UtilRm:				
Connect:		Bedrooms: <b>2 Bedrooms Down</b>				
Energy:		Rooms:				
Green/Energy Certifications:		Flooring:	Countertops:			
Interior:		Prvt Pool: <b>No</b>	AreaPool: <b>No</b>			
Master Bath:		Roof: <b>Composition</b>				
Exter Constr: <b>Wood</b>		Foundation: <b>Pier &amp; Beam</b>				
Extr: <b>Partially Fenced</b>		St Surf:	Utility Dist: <b>No</b>			
Lot Desc: <b>Subdivision Lot</b>						
Waterfront Features:						
Golf Course Name:	Heat: <b>Space Heater</b>	Cool: <b>Window Units</b>	Wtr/Swr <b>Public Sewer, Public Water</b>			
Restrictions: <b>Historic Restrictions</b>		Defects: <b>Has Known Defects</b>				
Disclosures: <b>No Disclosures</b>		Exclusions:				
Management Co./HOA Name: <b>No /</b>		List Type: <b>Exclusive Right to Sell/Lease</b>				
T/Date: <b>5/27/2015</b>	List Date: <b>2/7/2015</b>	Expire Date:				
Compensation: <b>SubAgt 0%</b>	BuyerAgt: <b>3%</b>	Bonus:	Var/Dual Rate: <b>No</b>			

**Financial Information**

1st Assumable: <b>No</b>	FinAvl:		
Ownership Type: <b>Full Ownership</b>	Vacation Rental: <b>No</b>		
Maint Fee: <b>No/\$0 /</b>			
Other Mandatory Fees: <b>No/\$0 /</b>			
Taxes w/o Exemptions/Yr: <b>\$ 7,138/2014</b>		Tax Rate: <b>2.55896</b>	Exemptions: <b>Homestead,,,Senior,</b>
Loss Mitigation:	Auction: <b>/</b>	Online Bidding: <b>/</b>	

Sun, Aug 30, 2015 01:40 PM

Data Not Verified/Guaranteed by MLS  
Obtain signed HAR Broker Notice to Buyer Form

Prepared by: Wanda Taylor



## My Rating

0 out of 5 stars

Inquire About This Property  
Rick@andersonprops.com  
(713) 862-0000

## My Notes

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---

---

Price:

**\$379,000**

113 E 4th St  
Houston, TX 77007

**Subdivision:** Houston Heights

**County:** Harris

**Beds:** 2

**Baths:** 1 Full

**Sq ft:** 1,092 (approx)

**#:** 55257400

**Status:** Active

Great Heights location zoned to Harvard Elementary. So convenient to downtown and all of the inner loop conveniences. House is in very poor condition and most likely will need to be torn down.



### Description for 113 E 4th St Houston, TX 77007

Great Heights location zoned to Harvard Elementary. So convenient to downtown and all of the inner loop conveniences is in very poor condition and most likely will need to be torn down.

### Agent Remarks

## Listing Information

**Last Update:** 9/28/2015 10:38 PM

**Property Type:** Single Family, Other

**County:** Harris

**Bathrooms:** 1 Full

**Square Feet:** 1,092 (approx)

**Year Built:** 1920

**Construction:** Wood

**Subdivision:** Houston Heights

**Foundation:** Block

**Sewer:** Public Sewer

**New Construction / Resale:**

**Sale / Lease - Rent:**

**Bedrooms:** 2

**Lot Size:** 0.1 Acres

**Price per Sq. Ft.:**

## School Information

**District:** Houston

## Room Information

**Bedroom 1:** 12X12

**Bedroom 2:** 11X12

**Dining Room:** 10X11

**Kitchen:** 12X9

**Living Room:** 13X13

## Bathrooms

**Full Baths:** 1

## Interior Features

**Cooling:** None

**Heating:** None

## Exterior / Lot Features

**Exterior:** Wood

**Roof:** Composition

**Additional Exterior/Lot Features:** Back Yard

**COMPARISON COSTS:**

Rehabilitation \$196,785

Demolition \$ 5,775

New Construction \$132,240

Replacement Cost New  
Figure from Uniform Residential  
Appraisal Report



## ABOUT LCI

**L**ucas Craftsmanship Inc., a family owned and operated construction team has been satisfying homeowners and businesses in the Houston area since 1991. Although specializing in custom renovation, our expertise allows us to fulfill your desires from general home repairs through new home construction to light commercial work.

**C**onsistently, at LCI we pride ourselves in delivering " Exceptional Quality" with personable service while affording YOU the homeowner the creativity and pricing essential to envisioning your dreams.

**I**ntegrity, respect and teamwork are historic values within our company which are reflected throughout our quality of work. With Lucas Craftsmanship Inc. you can trust that your home, the biggest investment of your life, is in the care of a team that delivers outstanding results to your complete satisfaction.

Member HHA  
 Lucas Craftsmanship © 2004 - 2015  
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 by peal media, llc

# Quick Silver Hauling, LLC

Estimate No: 395  
Date: September 2, 2015



P.O Box 15336  
Houston, Texas 77220

713-672-9019 Office  
281-960-9599 Cell  
713-682-6100 Fax

**For:** Barbara Kebodeaux  
113 East 4th Street  
Houston Texas 77007

Description	Quantity	Rate	Amount
Demo house and foundation, all trash debris will be taken to a state approved landfill. All concrete will be taken to recycle facility. Price includes removal of 2- dead trees along west side of property. QSH will grade property for proper drainage. Retain salvage rights Grade property for proper drainage. Authorization _____ Payment on completion.	1	\$5,775.00	\$5,775.00*
	1	\$0.00	\$0.00*

\* Indicates non-taxable item

Subtotal	\$5,775.00
TAX (8.00%)	\$0.00
<b>Total</b>	<b>\$5,775.00</b>



**Project Name:** Ron & Barbara Kebodeaux  
**Address:** 113 E 4th St  
**Email:** [REDACTED]

**Date:** 9/28/2015  
**Phone:** 713-465-4948

<b>Description:</b>	Complete Remodel
<b>Plan Status:</b>	NA / Preliminary Budgets
<b>1st Floor Existing A/C:</b>	~935'
<b>1st Floor Existing Porch/Deck:</b>	~78'
<b>2nd Floor Existing A/C:</b>	NA
<b>2nd Floor Existing Porch/Deck:</b>	NA
<b>Total Existing:</b>	935' LA + 78' front porch
<b>1st Floor Add A/C:</b>	NA
<b>1st Floor Add Porch/Deck:</b>	NA
<b>1st Floor Add Garage:</b>	NA
<b>2nd Floor Add A/C:</b>	NA
<b>2nd Floor Add Porch/Deck:</b>	NA
<b>Total ADD:</b>	NA
<b>Total:</b>	NA

<u>PHASE</u>	<u>DESCRIPTION</u>	<u>BUDGET</u>
Architect	Estimated fees for COH permit set including engineering	\$ 6,000.00
Engineer	NA	
Survey	pin and form surveys	\$ 900.00
Permit	COH	\$ 1,200.00
Site Prep	temporary security fence	\$ 800.00
T-Pole	Needed for power	\$ 1,450.00
Gas	meter location OK	
Water/Sewer	No upgrades	
Soil Test	NA	
Tree Removal	NA	
Demo	gut complete interior / salvage all trim / doors and wood flooring	\$ 5,400.00
Leveling / Lifting	raise and support house for foundation work	\$ 9,000.00
Fill Mat'l	NA	
Foundation	estimated 25 poured spread footings	\$ 12,250.00
Dirt Haul	from footings	\$ 600.00
Concrete	NA / no flat work	
Frame Labr	minor interior changes assumed	\$ 5,000.00
Frame Matl	for interior changes and repairs	\$ 3,000.00
Trusses	NA	
Structural Steel	NA	
Exterior Plywood	NA	
Windows	all existing to remain	
Exterior Doors	existing to remain	
Garage Doors	NA	
Weatherstrip / Flashing	2 exterior doors, rehang on new jambs	\$ 700.00
Exterior Siding Matl	patch work and repairs as needed / wood bevel	\$ 1,800.00
Exterior Siding Labr	5 @ 4 days	\$ 4,000.00
Lattice Work	complete new PVC crawl space skirt	\$ 1,800.00

<b>PHASE</b>	<b>DESCRIPTION</b>	<b>BUDGET</b>
Deck / Porch	new flooring and railings at front porch	\$ 2,800.00
Screens	NA	
Ornamental Metal	NA	
Stucco	NA	
Brick	NA	
Gutters	NA	
Plumbing	5 fixts + tankless + 3 gas openings	\$ 7,400.00
Underground Plumbing	NA / assume line is adequate	
HVAC	new 2 ton conventional system	\$ 7,500.00
Electrical	complete rewire with new 125 AMP OH service panel	\$ 9,500.00
Temp Lighting	needed	\$ 400.00
Fire Sprinkler	NA	
Fireplace	NA	
Roof Labr	complete new shingle over existing decking 20 sq	\$ 4,600.00
Roof Matl	in lbr	
Insulation	floor and attic	\$ 1,650.00
Drywall Matl	complete interior finished smooth	\$ 6,100.00
Drywall Labr	in matl	
Wood Floors	patch work as needed and refinish complete	\$ 4,000.00
Interior Trim Matl	existing to remain / min patch work to match exisitng	\$ 1,000.00
Interior Trim Labr	3 @ 2	\$ 1,200.00
Staircase	NA	
Interior Doors	all existing to remain	
Cabinetry	complete kitchen & bath vanity / ~ 40 PG shaker	\$ 8,000.00
Interior Paint	complete interior	\$ 6,500.00
Exterior Paint	complete exterior	\$ 5,500.00
Countertops	~ 55' granite + 2 cuts	\$ 1,950.00
Backsplash	tile @ kitchen	\$ 700.00
Tile Floors Labr	bathroom only	\$ 800.00
Tile Walls Labr	tub surround walls	\$ 1,200.00
Wallpaper	NA	
Carpet	NA	
Glass / Shower Encl.	NA	
Mirrors	NA	
Fence	NA	
Auto Opener	NA	
Final Grade	general leveling	\$ 400.00
Appliance Install	in appliance allowance	
Hardware Installation	throughout	\$ 1,200.00
Punch List	as needed	\$ 1,200.00
Landscape	NA	
Specialty	NA	
Specialty	NA	
Reglaze	exisitng broken windows??	\$ 500.00
Port Toilet	6 months	\$ 700.00
Trash Container	4 total	\$ 1,600.00
Final Clean	x 2	\$ 800.00



November 2, 2015

BL-15-1574

**Client:** Ron and Barbara Kebodeaux  
8611 Kempridge Street  
Houston, Texas 77080

**Phone:** 832-283-4948

**Re:** Residence at 113 E 4<sup>th</sup> Street, Houston, Texas 77007

Dear Mr. and Mrs. Kebodeaux:

BEC-LIN Engineering, LP (BL) visited the above mentioned residence to provide an evaluation of the existing structure.

Conclusions presented herein are based solely on observations made and information received from the client. BL makes no representation regarding the possibility of concealed defects. In addition, should additional information concerning the structure become available, BL shall reserve the right to review that information and modify this report as appropriate. Contained herein are our observations and comments.

During our site visit on October 26, 2015 we noted the following:

- The structure has a block and base foundation, wood siding and a composite shingle roof. According the Harris County Appraisal District the structure was built in 1920 and has a total living area of 1,092 square feet on a land area of 4,400 square feet.
- There are multiple signs of insect infestation, and it appears there is termite damage throughout the structure.
- The crawlspace floor is sloping towards the exterior of the structure, and there are interior supports leaning under the floor.
- There is a rear support that is out of plumb.
- There is a deteriorated wood support by the rear door, deterioration at the front porch, and deterioration of the wood siding in the middle bedroom.
- There are drywall cracks in the walls by window and doors throughout the structure indicating foundation movement
- There are signs of moisture intrusion from the stains in the drywall.
- There is separation at the corner of the add-on and at the front window.
- There is evidence of fire damage at the ceiling joists in the attic.
- The vertical walls are not plumb and indicate foundation movement.

In our opinion, based on our observations and reported information that this structure is not structurally sound and would require a complete re-build of the entire structure to make the subject property structural adequate. This would include a new foundation system including replacing subfloor members that have rotted from water damage, and removing the walls to replace the damage that appears to have been caused by wood destroying insects and moisture intrusion. The roof structure would also need to be replaced where there was evidence of fire damage.

Overall, based on our observations, discussions with the client, and as evidenced by the photographs that are included in this report it is our opinion that this structure is not salvageable and should be demolished.

This report is provided by a licensed Professional Engineer and is valid as of the date of the site visit. It excludes conditions and events that may occur after the site visit. This report makes no guarantee that every possible discrepancy has been cited. BL makes no claim concerning any activity or conditions falling outside the specified purpose to which this report is directed. In addition, no warranty, expressed or implied, is hereby made for the professional services set forth. No responsibility is assumed for events that occur subsequent to the submission of this report. Should additional information regarding the condition of this property become available, the undersigned reserves the right to review such information and modify this report, as appropriate.

We thank you for the opportunity to be of service. If you have any questions, please contact us.

Sincerely,

BEC-LIN Engineering, LP

Karl Breckon, P.E.



In recognition of the relative risks, rewards, and benefits of the service provided, to both the client and BL, the risks have been allocated such that the client agrees, as evidenced by acceptance and use of this report, that the liability of BL is limited to the value of the service provided and the client shall indemnify and hold BL harmless from and against any and all claims, liabilities, obligations, costs, or expenses (including reasonable attorneys' fees) arising by reason of or associated with the performance of all services hereunder. In addition, should any additional work related to this evaluation be required, regardless of the nature of such work, such work would be considered an additional assignment and would be invoiced, as appropriate.

Photo #1 – Front elevation



Photo #2 – Signs of insect infestation



Photo #3 – Typical support for raised floor



Photo #4 – Crawlspace floor support leaning



Photo #5 – Overall sub-floor



Photo #6 – Interior support leaning

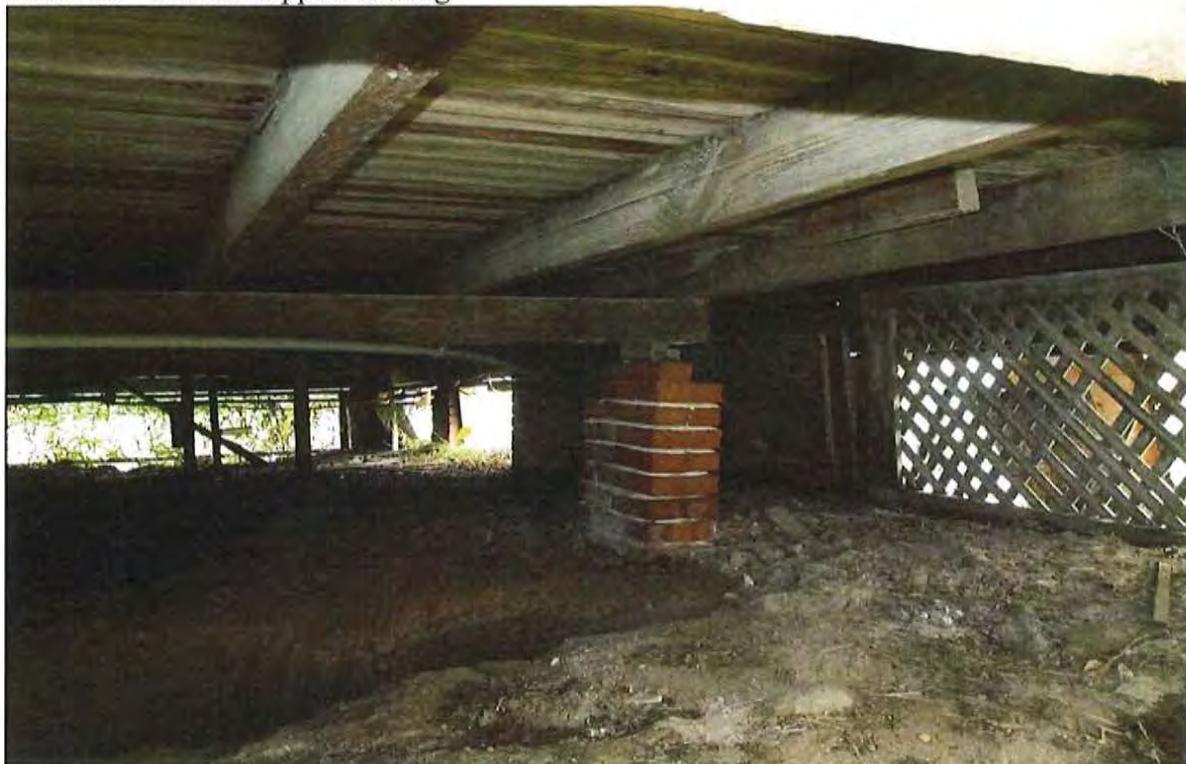


Photo #7 – Rear elevation



Photo #8 – Rear support out of plumb



Photo #9 – Deteriorated wood support by rear door



Photo #10 – Deterioration at front porch



Photo #11 – Drywall crack by window in living room



Photo #12 – Drywall crack by entry to dining room in living room



Photo #13 – Drywall crack in front bedroom



Photo #14 – Signs of moisture intrusion in front bedroom

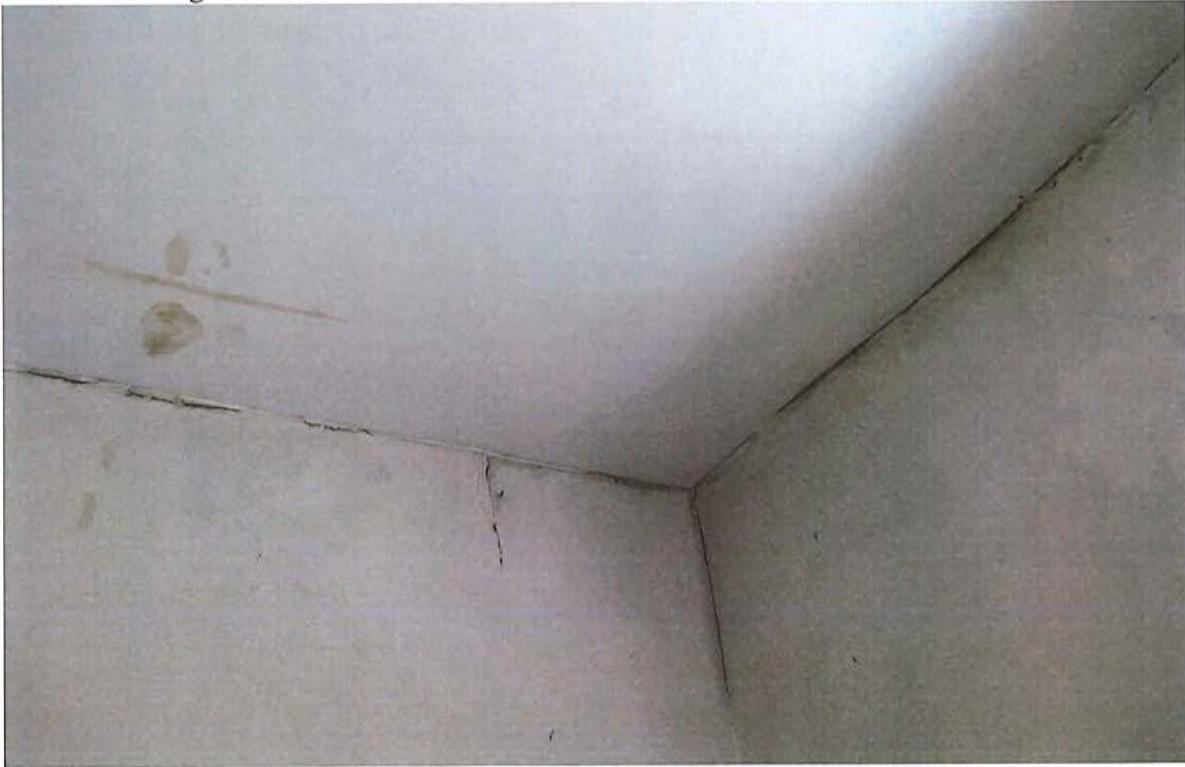


Photo #15 – Damages at front wall of front bedroom



Photo #16 – Appears to be termite damage at front bedroom



Photo #17 – Drywall crack in middle bedroom



Photo #18 – Deterioration of wood siding in middle bedroom



Photo #19 – Deterioration of wood siding in middle bedroom



Photo #20 – Separation at corner at add-on



Photo #21 – Diagonal drywall crack in kitchen at rear wall



Photo #22 – Drywall crack by window in dining room



Photo #23 – Evidence of moisture intrusion in dining room



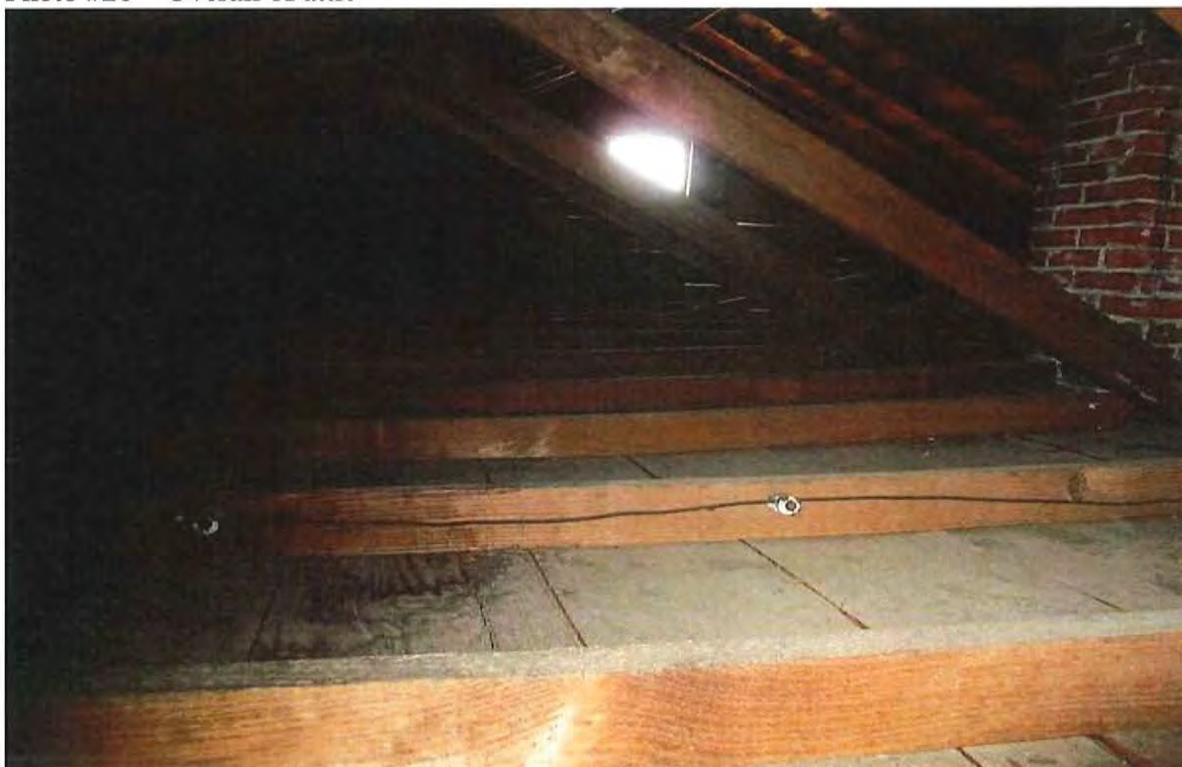
Photo #24 – Separation at front window



Photo #25 – Evidence of fire damage in attic



Photo #26 – Overall of attic



November 2, 2015

Houston Archaeological and Historical Commission  
Planning & Development Department  
611 Walker Street, 6<sup>th</sup> Floor  
Houston, TX 77002

Dear Commissioners:

I am seeking a Certificate of Appropriateness for Demolition for the structure (I will not call it a house/home) on 113 E 4<sup>th</sup> Street. While it is technically within the southern-most boundary of the Houston Height's South Historic District, its location (i.e., it sits on the north side of the semi-commercial 4<sup>th</sup> street rather than the south side of 4<sup>th</sup> street which is not part of the historical district) is the only thing that makes it so. Sadly, the structure - formerly my deceased 96 year old uncle's residence, now vacant for more than a year - does not contribute to the character or attest to the history of the historic district and, due to its unusual circumstance, it has become an economic hardship on his estate. As a result, we are seeking your approval for it to be demolished.

### **Background**

My name is Barbara Kebodeaux and I am the executrix of my uncle's estate, which consists of 113 E 4<sup>th</sup> Street and nothing more. After caring for him as well as another aunt and uncle (who never married, had no children, and preceded him in death) at their residence since April 1992, selling the structure they – in their very simple, immigrant way – called home is the last thing I will do for my aunt and uncles.

### **Economic Hardship and Unusual Circumstances**

#### ***The Property (2 Bedroom, 1 Bath with a very odd layout) is Not Sellable.***

When my uncle passed away in September 2014, I needed some time to grieve the loss of my last family member of his generation before trying to sell the property. As a result, I waited a little while to research the process of selling, **desiring to act judiciously on my uncle's behalf**. I have never sold property, so this has been a bit of a daunting task.

After the holidays, in early 2015, I contracted with an experienced realtor and he put the property on the market. We waited for nearly four (4) months but sadly received no offers. Discouraged, I decided to take the house off of the market for a while, and in late summer, with the help of another realtor, who has even more recent experience buying and selling in the Heights area, put it back up on the market, with a lower price than previously listed. This time, however, at my own personal expense, I began the process of pursuing the Certificate of Appropriateness with the realtor's assistance. Again sadly, we have waited for months, but have received no calls offering to buy. We have lowered the asking price again but without any offers at all with which to negotiate with after 6 months, the price is not the issue – the structure condition is! In fact, even Billy Lucas, the licensed general contractor who specialized in renovations in the Heights whom I contracted with during this application process and who the Commission's staff knows and respects, said that he would not invest in the property. I guess he already knew what Paul Fruge, the appraiser I contracted with for the application

process, found in his report: the structure detracts from the property value (see detailed appraisal stating that the structure has a negative contributory effect on the property). Given this information, if my renovation expert who has the knowledge and skill to take on such a property is unwilling, I am not sure if anyone will be and I worry how long the property will sit vacant, lifeless.

*The Property is Not Livable/Rentable.*

As I suspected and have had confirmed during this process of applying for a Certificate of Appropriateness for Demolition, the structure is currently in such poor condition and disrepair with damage too extensive for renovation or rehabilitation to be possible. What's more, the structure is truly unsafe and uninhabitable. Please understand that these issues have been festering for many years, but my uncle would never consent to any sort of "real" repair, always directing that the minimum be done. As a result, the structure has suffered greatly and become of significant concern. Some of the deleterious issues are briefly outlined below.

1. Engineer-Identified Structural Problems – Structural Engineer, Karl Breckon of BEC-LIN Engineering, said the foundation is failing and the structure is a safety concern. While his detailed report is enclosed, it supports what Pete Stockton, the City's Structural Inspector, found during his site visit August 12<sup>th</sup> of this year (see attached).
  - a. There is inadequate support for the structure as evidenced by the sloping of the floor from the middle to the sides and the structural beams under the structure having gaps. The brick beams suffer from mortar failure, cracks in the bricks, have separated or have literally fallen apart requiring patching/cementing which is failing (see pictures in photo album).
  - b. The existing floors and sub-flooring are buckling and have completely rotted away in certain places (e.g., the commode almost fell through the floor of the bathroom and the flooring in other rooms is wavy).
  - c. The exterior walls are bowing out and the interior walls have diagonal cracks indicating significant foundation issues. As Nolan Ryan would say "that is bad" (see pictures in photo album of the angled cracking in all of the rooms).
  - d. Olshan Foundation Company after reading the report from Karl Breckon has refused to provide a foundation estimate because of the poor condition of the structure because it is unsound (see attached).
2. Fire: There was fire in the kitchen many years ago that gutted the kitchen and caused damage with charred wood still visible in the attic. Also noted in Mr. Breckon's report.
3. Pest Infestation: The structure is and has been for some time, infested with termite infestation throughout – front porch, walls, floors and structural supporting beams (see pictures in photo album and termite inspection report).
4. Plumber-Identified Problems: Inadequate drainage lines for the toilet and for the modern washing machine. Old, some lead, pipes are exposed to the weather elements and have broken in hard freeze.
5. Electrician-Identified Problems: Whole structure needs to be re-wired as presently the wiring and types of and number of outlets do not support modern common usage requirements.

6. Rodent Infestation: There is a long history of rats and other rodents like squirrels in the structure, especially in the attic (see pictures of outside back wall, eaves and holes in the exterior walls - wall at kitchen sink).

**7. Additional Information Requested by Commission Staff**

In response to your staff's request for estimated selling price of new renovation *with an addition*, I have been unable to get a renovator to give me a price for construction or a realtor to give me a selling price for the "renovation with an addition to the property" as we do not have an architect's drawings or "finishes" specified. (The estimate we provided previously was to renovate the existing house to make it livable with modest upgrades which is what our renovator was able to estimate somewhat concretely.) However, in an effort to comply with what I understand to be the spirit of this request, I am including information on another 4400 square foot lot with a larger square footage home already on it (3 Bedroom 2 Bath) that has been updated in recent years. The property is immediately next door to 113 E 4<sup>th</sup> at 117 E 4<sup>th</sup> Street. It is currently on the market and started at \$469,000 in August 2015. The price has recently been reduced to \$449,000. (See MLS # 80422022 also listing ML # 41521419)

Also, as we explained to the staff, there is no money for renovations. My uncle's estate consists of the house, nothing more. I am not interested in or financially able to rebuild the home for my use or that of anyone else. My sole purpose is to fulfill my duty to my uncle and sell the property. Since it is not moving "as is" (more than six months on market and not a single offer received), I see the demolition approval as essential to sell. Honestly, I see the demolition approval as the only way someone is going to live on this property again. It is my fervent hope that the new home that will be built at 113 E 4<sup>th</sup> Street will be a safe livable single family home that will allow for life to be breathed back into this little lot of the historic district.

In conclusion, I am seeking a Certificate of Appropriateness for Demolition for the structural engineer-inspected unsafe structure at 113 E 4<sup>th</sup> Street. Its unique circumstance has made it an economic hardship for the estate of my uncle and I'm doing the best I can to complete my duties as the executrix of his estate. Per the recommendation of the Commission's staff, a demolition company has been chosen to salvage items from within the structure. My realtor has stated that the property will be saleable for a single family dwelling lot. I just need the demolition approval to be able to sell this property, and I hope you can support my application.

Please do not hesitate to contact me with any questions you may have as I might be able to provide additional information.

Sincerely,

Barbara E. Kebodeaux

  
713-465-4948

Geoff Butler,

We believed that our application for a Certificate of Appropriateness for Demolition, which was placed on the agenda for the November 19, 2015 Commission meeting, established that 113 E 4<sup>th</sup> Street has (1) “seriously deteriorated to an unusable state and is beyond reasonable repair” and (2) meets the three criteria under the “Unreasonable Economic Hardship”. When the Planning Staff’s draft recommendation, which we received on November 16, 2015, though we submitted our application on September 28, 2015, recommended the Commission members deny our application, we deemed it best to withdraw from that meeting date and prepare for the January meeting. We realize that the Commission heavily weighs the staff’s recommendation in their decision-making.

But, as we discussed over the phone on November 17, 2015, we are sending a new Certificate of Appropriateness for Demolition Application Form and Certificate of Appropriateness Demolition Checklist. We also discussed with you and we are sending a “Timeline” to more clearly communicate some specific dates and details in hopes of correcting some of the misinformation we noted in the draft staff recommendation for denial you sent to us. Also, just to confirm here, you assured us that we did not need to duplicate any of the other information already provided to you (e.g., estimate, pictures, etc.) and that our application number will remain the same. As you noted in our face to face meeting we prepared a very detailed photo album and request that it be scanned for the commission members to be able to view.

### **“seriously deteriorated to an unusable state and is beyond reasonable repair”**

Excerpt from BEC-LIN Engineering report, Karl Breckon, structural engineer.

In our opinion, based on our observations and reported information that this structure is not structurally sound and would require a complete re-build of the entire structure to make the subject property structural [sic] adequate. This would include a new foundation system including replacing subfloor members that have rotted from water damage, and removing the walls to replace the damage that appears to have been caused by wood destroying insects and moisture intrusion. The roof structure would also need to be replaced where there was evidence of fire damage.

Overall, based on our observations, discussions with the client, and as evidenced by the photographs that are included in this report, it is our opinion that this structure is not salvageable and should be demolished.

Simply put, there is nothing there to repair. More details included below.

### **“Unreasonable Economic Hardship”**

1. The estate of 113 E 4<sup>th</sup> Street has demonstrated that it is “incapable of earning a reasonable return, without regard to whether the return is the most profitable return, including without limitation, whether the costs of maintenance or improvement of the property exceed its fair market value”.

My 96 year old deceased uncle was indigent! He was a Medicaid and food stamp recipient. He lived in his home for 43 years and never had funds to have significant work done on the structure **and neither does his estate**. There are **NO funds** (\$5k, \$50k, \$70k, \$200k – it doesn’t matter) to repair; renovate; create architectural plans for an addition; prevent further structural deterioration from the termite infestation already in the walls, floors, and other wooden components; ameliorate damage from rodent infestation; fix weather damage to roofing and siding as well as the water/termite damage in the supporting crawl space beams etc. Where is the fact that the estate has no money coming into play for your recommendation? How can you even say the applicant could “repair the structure and sell it for a higher price”? This makes no sense. No repairs can be done by the estate. So, the only remaining question is, can the property be sold “as-is” for a reasonable return.

The property has been on the market “as-is” for almost a year with a \$110,000 drop in the asking price and it is still not moving. No one is buying the property. We saw this last spring, but didn’t really understand why. This summer, our new realtor and our appraiser explained it to us first, then our renovation expert, but perhaps the one Keller Williams realtor who visited the property after the most recent drop in the asking price said it most clearly: “too much work & historical district is a negative.” As the structural engineer said, it requires a demolition and rebuild.

Regarding the structural engineer’s report which plays into whether the house can be sold “as-is” for a reasonable rate of return, you insisted on our getting a structural engineer to validate statements made in our original cover letter and we complied at our personal expense (worthy of note, the estate would not have been able to do this on its own). The structural engineer’s report stated it needs rebuilding from the ground up. According to Karl Breckon, the engineer, it is deteriorated to a state that “this structure is not salvageable and should be demolished”. Why do parts of the licensed structural engineer’s report appear to be being ignored in your draft recommendation? Demolish and rebuild does not correlate with repair/renovate. What are we missing? Also, we’d like to state that the ENTIRE engineer’s report was sent to Olshan Foundation Company for them to review – (not a portion “to demolish” as stated in the draft #6 Application Review & Summary) in order for us to get their estimate on letterhead as you wanted “individual

vendors to provide.” As you know, Olshan flatly declined to provide us such an estimate due to the severity of the structure’s condition in Mr. Breckon’s report.

With respect to your statement that one could “repair the structure” with just \$77,458 which also plays into whether the property can be sold “as-is” for a reasonable rate of return, we respectfully disagree. Your selection of only some of the renovation costs does not address the true cost to make the **entire** structure a livable home (e.g., an air conditioning system, kitchen cabinets, etc.). We understand that you only added the costs for the issues we highlighted in our cover letter, but did not include ALL of the problems in the structure. Why would what we highlighted be considered to be the entirety of what needs to be fixed? We provided the full estimate from the renovation expert. You omitted in your cost figures items such as architectural design, permitting, surveying, demolition of the interior, paint for the drywall, etc. – issues that would have to be resolved in order for the house to be livable. You noted plumbing at \$7,400 but there is also the cost of \$3,500 for plumbing materials, the same is true for electrical at \$9,500 for labor and there is also \$3,000 material for wiring etc.

Billy Lucas of Lucas Craftsmanship, Inc., a licensed general contractor, estimated that the renovation would cost \$196,785 to try to make the house livable (this is the estimate that we provided). He also stated that that was just an estimate. He stated that costs could go higher by another \$50,000 when walls were opened up to better ascertain the full damage that is not visible. What’s more, at the time of his inspection, he did not see the fire damage above the kitchen which is now well documented.

We find it very hard to understand why his quote was questioned and required other “vendor letterhead confirmation of figures” on a number of occasions, after all he is a professional renovator with 20 years experience in the Heights area. Then, the day following our face-to-face meeting, we were informed that his estimate would be accepted. As you might imagine, we were thankful and relieved. But, then his estimate wasn’t really accepted in total. Only parts of it were considered. The entirety of his estimate is what an expert believes. So, if you are accepting the \$196,785, there needs to be a realization that the figure would most likely increase per his “qualification” statement.

In addition, keep in mind, Mr. Lucas made his estimate before we had a structural engineer come out. The structural engineer’s statement “this structure is NOT salvageable and should be demolished” came after we got the renovation estimate, and is in addition to the City Inspector, Pete Stockton’s, observation regarding the structure’s severe deterioration (Pete literally put his finger through one of the walls). Common sense dictates not putting funds into a dwelling that is falling apart – from the bottom up. This property is presently Incapable of Earning a Reasonable Return - We want to sell but NO one is buying!

2. The estate of 113 E 4<sup>th</sup> Street has demonstrated that it “cannot be adapted for any another use, whether by the current owner, by a purchaser or by a lessee, that would result in a reasonable return”.

*As you stated, “Due to the location and size of the property, the only reasonable uses of the property are as single-family residential or possibly a small office use. The location of this property in a primarily residential area would make **adapting the property for a use other than these unlikely.**”*

There is NO MONEY in the estate, so therefore, there cannot be items such as: architectural plans, construction of an addition, or rebuilding or renovation of the existing to adapt the structure. We did not plan (nor do we have the money as already established) to have the demolition done ourselves but wanted demolition approval so that the property can be sold. The new owner would manage demolition, architectural plans, etc in compliance with the City of Houston Ordinances/Permits. It is our hope that a future structural improvement on the property would be a safe, modern home that a new family would enjoy as their home. Otherwise, we fear the structure will remain vacant as it has been since September 8, 2014 and continue deteriorating as it has been for many years.

3. The estate of 113 E 4<sup>th</sup> Street “has demonstrated reasonable efforts to find a purchaser or lessee interested in acquiring the property and preserving it, and that those efforts have failed”.

We want to be very clear here, again. The estate wants to sell this property. That is why the estate has contracted with two very experienced licensed real estate agents and the property has been on the market “as-is” for almost one year.

Our concern is that, since the property went on the market February 7, 2015, we have not received even a single call expressing any interest *in purchasing* the property, NO interest for us to even initiate a negotiation – even with significant decreases in the asking price (by \$110,000 in the last 10 months). In fact, during this time, we’ve only had one realtor make an appointment to look at the structure (visit was on November 28, 2015) with the following comments resulting from the visit: “needs too much work and historic district is a negative.”

Again, the estate wants to sell. In addition to the realtors hired and the house being on the market for almost a year, the asking price has been significantly lowered and listing phrasing changed per staff’s recommendation! Unfortunately, still NO one is buying! Again, this property initially went up for sale February 7, 2015. January 2016 will be very near the one-year mark. We pray for an offer, but if we do not receive one, then we will plan to present our case at the January 2016 Commission meeting. As you previously stated, you are keeping all of our prior application information for that meeting should we need to present.

We would very much like to find a purchaser for this property as is, but once again we have not heard of any interest in purchasing. As a result, we are continuing to try to sell the property with the decrease of asking price for the next two months. We are not trying to just make more money by charging a "higher price" as was inferred in draft staff recommendation. As the professional appraiser said, the structure is a detriment to the value of the property. So, we're taking even more steps to further demonstrate that once again, the price is not the limiting factor. THE BUILDING IS!! There is No interest in this property with a not salvageable building that needs to be torn down; please see comments in Timeline Sheet of November 28.

In summation:

1. The City's own inspector verbally explained to us that the walls will have to come down entirely due to their level of deterioration. He also said the foundation would not support a new structure, which obviously means a complete redo of construction and not a renovation. This is consistent with the Billy Lucas bid for foundation replacement as well as Karl Breckon conclusion that the building should be demolished.
2. Don't forget the fire damage that was also documented by the structural engineer in his pictures! Another explanation for why unsalvageable.
3. The building, as stated by the structural engineer, is not salvageable and needs to be demolished for a new building.
4. My deceased uncle did not have money (Medicaid and food stamp recipient) and could NOT afford to have any of the significant maintenance or repair work done which, over the 43 plus years he lived in the home, had allowed the house to deteriorate past the point of being reasonably repaired.
5. Since the estate has NO MONEY, we have already spent money from our life savings to pay for the appraisal, estimates for remodeling, structural engineer report, sign printing, etc. We do not have any more money to "invest" in this project. Also, this whole process has taken an inordinate amount of time and physical energy.
6. At your recommendation, we have spoken with our realtor and the language you found concerning in the listing has been removed. As noted above, we have once again lowered the listing price, now to \$315,000, which is consistent with the appraisal figures provided by Mr. Fruge.
7. Also of note, I am trying to complete the executrix/trustee responsibilities by selling this property, which is the estate in total.

Please let me know if you have any additional questions for me or if I may provide any further clarifications for you. Also, please let me know if/how all of the above and the additional information attached may change the staff's recommendation to support for our application.

Thank you,  
Barbara Kebodeaux

  
713-465-4948

**113 E 4<sup>th</sup> Street**  
**Houston, Texas 77007**

**TIMELINE**

- 9/08/2014 Moris A. Dayeh passed away.
- 2/02/2015 After we saw holes in the sheetrock in the bedrooms and the deterioration of the front porch of the structure, we had Terminix come to examine the structure. They found evidence of termite infestation that had already caused significant damage throughout the structure.
- 2/07/2015 The property was initially listed for sale by Houston Plus Real Estate realtor Don Heerensperger – MLS listing 94557454. He established the selling figure of \$425,000. The intent was for a simple sale. It was done without the thought of getting or attempt to get demolition approval. We received NO CALLS AND NO OFFERS. Can't negotiate when there is no interest. This listing was active from February 7 through May 27, 2015.
- 5/30/2015 We finished interviewing new realtor candidates and selected another realtor Taylor Real Estate - Wanda Taylor. She came to the property and with her assistance we contacted the Historic Preservation Staff about scheduling an inspection of the property.
- 6/02/2015 E-mails traded with the Matthew Kriegl - Planning and Development – Historic Preservation to schedule a meeting and inspection of the property. It took a while to find a mutually convenient day for meeting at the property.
- 8/12/2015 Historic Preservation Staff and other City of Houston officials (i.e. Matthew Kriegl, Pete Stockton and John Gardosik) inspected the property. Pete Stockton made several definitive comments to the others with him while they were inspecting the property and taking pictures. The comments - included but are not limited to the following:
- the outer walls (siding) could not be taken down separately from the inner walls because of the way the structure was put together;
  - walls could come down but could not be reused;
  - floor not level - leaning down to each side of the structure away from the center;
  - shiplap was totally compromised by termite damage – Pete Stockton's finger could easily poke a hole in the disintegrated shiplap;
  - supporting wooden beams under the crawl space had both termite and water damage;
  - the brick and mortar foundation was in disrepair and would not support a new structure;
  - the house needs to be torn down due to the deteriorated foundation and materials;
  - at the time this structure was built, it was not the highest quality construction as compared to other properties because it is the smallest and cheapest of that time.
- Of note: ALL of their observations were later verified by the structural engineer that we were required to hire to meet historic planning staff request (see report of 10/26/2015). So both the city structural inspector and the structural engineer said the same thing: - House needs to come down!
- Same day in the afternoon, I followed-up on the on-site visit with an e-mail with several questions to Matthew Kriegl, including requesting a copy of the City structural inspector's report and pictures.
- 8/13/2015 Staff responded via e-mail. Did not answer the questions directly, but rather pointed us to the historic preservation ordinance and application materials. Also did not provide the requested report but was going to gather it.
- 9/02/2015 Met with one salvage company to learn about the process required if/when approval was received.
- 9/05/2015 Met with Lynn Edmundson of Historic Houston who was referred to us by the Planning Staff at their visit for salvage of items from the home. She was very informative regarding the process and associated costs.
- 9/8/2015 Paul Fruge appraised the property and we noted in his report that the “structure” was actually detrimental to the value of the property. We already had experienced this with no offers in the four months this spring.
- 9/18/2015 Wanda Taylor (realtor) placed her sign in front of the home September 18, 2015 – MLS listing 55257400. She recommended the starting price of \$379,000 (\$46,000 less than it was previously listed for). We were very hopeful that it would sell, but given our experience from the spring time, we also continued working on completing the requirements listed on the application for a Certificate of Appropriateness for demolition.

- 9/28/2015 Application for Certificate of Appropriateness for demolition with all required supporting documentation was handed over in person to Lorelei Willett. Our goal was that our application would be on the October 22<sup>nd</sup> agenda. We included the picture of the demolition sign though we had not installed it yet.
- 10/4/2015 Application for Certificate of Appropriateness for demolition sign was placed in front of 113 E 4<sup>th</sup> Street as required because we were going to be out of town until October 20, 2015 and, if we did not put it up early, we would not have been able to put up the sign 10 days before for the October meeting on the 22<sup>nd</sup>.
- 10/5/2015 Geoff Butler - Planning Staff notified us by e-mail that: "Unfortunately, there is some more information I will need in order for your application to be complete. The items in your cost comparison that are in disrepair need to have **vendor quotes** for each of the proposed costs. For example the foundation damage in item # 4 of your written statement, should be substantiated with a written quote from a foundation repair company. Same for plumbing, electric, etc." otherwise the Commission would not consider our application in the month of October 2015.
- Called Geoff and stated that, as I am not a contractor, builder or renovator, we had chosen a very reputable company with more than 20 years of experience in the Heights, (i.e., Lucas Craftsmanship, Inc) and that perhaps he could get the answers he seemed to be looking for by speaking directly with Billy Lucas himself, since he had provided the written quote.
- Geoff and general contractor, Billy Lucas, spoke over the phone with Mr. Lucas explaining how he provided the cost estimates we included in our package to try to better understand what was missing.
- 10/6/2015 We spoke with Geoff again and he told us that the planning staff wanted verification of our stated structural problems with the foundation (as they were stated in the cover letter). In order to satisfy the staff's request, he told us that we needed to hire a structural engineer and get separate estimates from every independent vendor that would be working on the job on their letterhead. Lucas Craftsmanship, Inc.'s estimates alone were not sufficient!
- E-mail received that the application was officially not going to be on the October agenda.
- 10/13/2015 Phone call with Geoff seeking to see Pete Stockton's report of the on-site visit and to better understand why his report was insufficient. (We thought Mr. Stockton was a structural engineer, but staff informed us that he was not). Staff informed us that (1) they were not able to access Mr. Stockton's report; (2) they recommended that we ask for it ourselves, and (3) requested that we send them a copy of it when we received it. This seemed odd to us since we are not City of Houston staff and the planning staff and the inspector both are, but we thought we would give it a shot. We verbally informed Geoff that we originally requested the report back on August 12 per e-mail sent to Matthew Kriegl. He requested a copy of that initial request. We did not have the contact information for the inspector (Mr. Stockton), Geoff did provide us the contact information.
- We e-mailed all including (1) a copy of the August 12 request sent to Matthew Kriegl and his response when we asked for Pete Stockton's report and the pictures and (2) this time directly asking Pete Stockton to please provide his report.
- Pete Stockton responded per e-mail to all, apologizing for not having provided the report, and said he would provide something by the next day after he revisited pictures.
- 10/14/2015 Contacted a structural engineer to contract for services to a inspection and structural engineer's report on the property.
- 10/15/2015 Received very brief report via email from Pete Stockton, City Structural Inspector. Report referred to rot, cracks, crumbling structural supports, walls more than 2% out of plumb, etc.
- 10/18/2015 E-mailed staff to notify them that the inspection by a structural engineer had been scheduled for 10/26/2015 and asked again for an in person meeting with the staff members.
- 10/20/2015 More e-mails regarding scheduling an in person meeting with staff.
- 10/22/2015 Meeting with staff confirmed for the afternoon of October 26, 2015. We requested confirmation that the only thing outstanding was the structural engineer's report; no response to this request for confirmation.
- 10/26/2015 Karl Breckon, a state licensed structural engineer, inspected 113 E 4<sup>th</sup> Street and stated that he would have a written report in about one week.

- 10/26/2015 We met with Geoff Butler and Diana DuCroz and got confirmation that the structural engineer's report would be accepted when it came in November for the November 19 meeting. At that meeting we were told again that we would need other independent contractors' costs for foundation, plumbing, electrical, roofing, etc. The comment was that the Lucas Craftsmanship, Inc. estimate from Billy Lucas was not detailed enough for the staff. Staff was informed that we would be contacting Olshan Foundation Company for their "letterhead quote regarding the foundation costs" but once again stressed that we are not general contractors and do not have knowledge of everyone we would need to reach out to and/or the established relationships with individual contractors to procure individual estimates for plumbing/electrical/roofing, etc. We reiterated that that is the job of an experienced general contractor like the one we hired and that the information they were asking us for had already been provided by Lucas Craftsmanship, Inc.
- 10/27/2015 We received a call from Matthew Kriegel stating that the estimates on the Lucas Craftsmanship, Inc. report for renovation would be accepted.
- 10/31/2015 We updated the Application for a Certificate of Appropriateness for Demolition sign to indicate it would be considered at the November 19<sup>th</sup> meeting.
- 11/2/2015 E-mailed staff several documents/updates.
- New cover letter – dated November 1, 2015
  - Structural engineer's report - His report stated that the "structure is not structurally sound and would require a complete re-build of the entire structure to make the subject property structural adequate;" "structure is not salvageable and should be demolished." We believe that his report along with Fruge's appraisal and the Stockton report should make it abundantly clear that the structure can NOT be Rehabilitated. (Of note, we still do not understand how the staff's opinion remains that it is considering it has been said to the contrary by three (3) experts in their field.)
  - Email from Olshan Foundation explaining they would not provide an estimate due to the severity of the structural engineer's report.
- 11/3/2015 Once again, MLS sales figure was again decreased by \$10,000 (now down \$56,000 from the original asking price) as our realtor had received NO phone calls and NO offers.
- 11/9/2015 E-mailed planning staff to request application number for the sign.
- 11/12/2015 Received application number for the demolition sign.
- 11/16/2015 Geoff notified us via e-mail that the staff's recommendation to the Commission would be a denial for granting a Certificate of Appropriateness for Demolition at the November meeting. We requested details as to why the staff was recommending denial of our application. Geoff sent their draft to us.
- 11/17/2015 We called Geoff to discuss our concerns with the information reported in their draft recommendation for denial to the Commission. There were several points of contention, including that not all possible avenues to seek demolition were considered and that the facts surrounding the property, its inspections and its listing for sale were either not understood or represented inaccurately in their denial recommendation. A few examples below:
- Why compel us to get a structural engineer's report (at our life saving's expense – remember there is no estate money) when the engineer's conclusions are being ignored?
  - What are the staff members' credentials to override the Licensed Structural Engineer (isn't he licensed by the State?) who you requested we had to get to verify the structure's status. These two opinions are not in alignment, we followed your demands to only hear that your opinion is of greater value than his knowledge and license.
  - Concerning the listed sales price figures, after getting an appraisal and lowering the initial asking price (second time on the market), we again got NO phone calls and NO offers, so we decreased the price by even more. Our real estate agent simply had not received any calls or offers at all. The statement in the draft report about the estate just trying to make more money on the sale is disingenuous at best.

We followed-up the phone call with an e-mail per Geoff's requests that we put into writing our withdrawal of our application from the November 19<sup>th</sup> agenda. We were concerned that staff's recommendation against approval of our application would not be overcome-able, even if factual inaccuracies could be adequately addressed.

At that time we also were assured that we could be placed on the January agenda when we had "updated" our application for "Unreasonable Economic Hardship" and Unusual or Compelling Circumstances." No date for January, 2016 was provided, but we were promised that we would be informed by Geoff when it was scheduled.

- 11/19/2015 Application for Certificate of Appropriateness for demolition sign was removed from in front of 113 E 4<sup>th</sup> Street.
- 11/21/2015 In an effort to further prove our willingness to comply with the planning staff's recommendations (explicit and implied), we lowered the asking price again and removed wording in the listing that the staff recommended to be the original asking price) and there is a great deal of concern that property is being devalued and will affect others, including an immediate neighbor who is trying to sell his home in the Heights.
- 11/28/2015 Property was seen by Keller Williams showing agent who commented "too much work & historical district is a negative." No offer was made; another sign that the deteriorated structure's status is THE detriment to selling the property.
- 12/01/2015 Spoke with Geoff by phone to double check the criteria requirements to meet approval for demolition application.
- 12/07/2015 E-mailed all documents to Geoff – 4 attachments.

# Assessing Economic Hardship Claims under historic preservation ordinances

By Julia Miller

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**H**istoric preservation ordinances in effect around the country often include a process for administrative relief from preservation restriction in situations of "economic hardship." Under typical economic hardship procedures, an applicant may apply for a "certificate of economic hardship" after a preservation commission has denied his or her request to alter or demolish a historic property protected under a preservation ordinance. In support of an application for relief on economic hardship grounds, the applicant must submit evidence sufficient to enable the decision making body to render a decision. The type of evidence required is generally spelled out in preservation ordinances or interpreting regulations. The burden of proof is on the applicant.

The exact meaning of the term "economic hardship" depends on how the standard is defined in the ordinance. Under many preservation ordinances economic hardship is defined as consistent with the legal standard for an unconstitutional regulatory taking, which requires a property owner to establish that he or she has been denied all reasonable beneficial use or return on the property as a result of the commission's denial of a permit for alteration or demolition.

Requests for relief on economic hardship grounds are usually decided by historic preservation commissions, although some preservation ordinances allow the commission's decision to be appealed to the city council. In some jurisdictions, the commission may be assisted by a hearing officer. A few localities have established a special economic review panel, comprised of members representing both the development and preservation community.

## **Economic Impact**

In acting upon an application for a certificate of economic hardship, a commission is required to determine whether the economic impact of a historic preservation law, as applied to the property owner, has risen to the level of economic hardship. Thus, the first and most critical step in understanding economic hardship is to understand how to evaluate economic impact.

Commissions should look at a variety of factors in evaluating the economic impact of a proposed action on a particular property. Consideration of expenditures alone will not provide a complete or accurate picture of economic impact, whether income-producing property or owner-occupied residential property. Revenue, vacancy rates, operating expenses, financing, tax incentives, and other issues are all relevant considerations. With respect to income-producing property, economic impact is generally measured by looking at the effect of a particular course of action on a property's overall value or return. This approach allows a commission to focus on the 'bottom line' of the transaction rather than on individual expenditures.

In addition to economic impact, the Supreme Court has said that "reasonable" or "beneficial use" of the property is also an important factor. Thus, in evaluating an economic hardship claim based on the constitutional standard for a regulatory taking, commissions will need to consider an owner's ability to continue to carry out the traditional use of the property, or whether another viable use for the property remains. In *Penn Central Transportation Co. v. City of New York*, 438 U.S. 104 (1978), the landmark decision upholding the use of preservation ordinances to regulate historic property, the Supreme Court found that a taking did not arise because the owner could continue to use its property as a railroad station.

The Supreme Court has also said that the applicant's "reasonable investment-backed expectations" should be taken into consideration. Although the meaning of this phrase has not been delineated with precision, it is clear that "reasonable" expectations do not include those that are contrary to law. Thus, an applicant's expectation of demolishing a historic property subject to a preservation ordinance at the time of purchase (or subject to the likelihood of designation and regulation) may not be considered "reasonable." Also pertinent is whether the owner's objectives were realistic given the condition of the property at the time of purchase, or whether the owner simply overpaid for the property. Under takings law, government is not required to compensate property owners for bad business decisions. Nor is the government required to guarantee a return on a speculative investment.

Commissions may also be able to take into account whether the alleged hardship is "self created." Clearly relevant is whether the value of the property declined or rehabilitation expenses increased because the owner allowed the building to deteriorate.

Application of the takings standard in the context of investment or income-producing property is usually fairly straightforward. The issue can be more complex, however, in situations involving hardship claims raised by homeowners. In the context of homeownership, it is extremely difficult for an applicant to meet the standard for a regulatory taking, that is, to establish that he or she has been denied all reasonable use of the property. When a commission insists that houses be painted rather than covered with vinyl siding, and windows be repaired rather than replaced, the applicant can still live in the house. The fact that these repairs may be more costly is not enough. Even if extensive rehabilitation is required, the applicant must show that the house cannot be sold "as is," or that the fair market value of the property in its current condition plus rehabilitation expenditures will exceed the fair market value of the house upon rehabilitation. See *City of Pittsburgh v. Weinberg*, 676 A.2d 207 (Pa.1996). It is also important to note that "investment-backed expectations" are different in the context of homeownership, owners often invest in home improvements or renovations without the expectation of recouping the full cost of the improvement in the form of increased property value.

In addressing hardship claims involving historic homes, commissions must be careful to be objective and consistent in their approach. Otherwise, a commission may undermine the integrity of its preservation program and raise due process concerns as well. Ideally, grant money, tax relief, and other programs should be made available to historic homeowners who need financial assistance.

Special standards for economic hardship may apply to nonprofit organizations. Because these entities serve charitable rather than commercial purposes, it is appropriate to focus on the beneficial use of their property, rather than rate of return, taking into account the particular circumstances of the owner (i.e., the obligation to serve a charitable purpose). In such situations, hardship analysis generally entails looking at a distinct set of questions, such as: the organization's charitable purpose, whether the regulation interferes with the organization's ability to carry out its charitable purpose, the condition of the building and the need and cost for repairs, and whether the organization can afford to pay for the repairs, if required. (Note, however, that while consid-

eration of financial impact may be appropriate, a nonprofit organization is not entitled to relief simply on the basis that it could raise or retain more money without the restriction.)

### **The Proceeding**

Under a typical hardship process, the applicant will be required to submit specific evidence in support of his or her claim. Once a completed application has been filed, a hearing will be scheduled, at which time the applicant generally presents expert testimony in support of the economic hardship claim on issues such as the structural integrity of the historic building, estimated costs of rehabilitation, and the projected market value of the property after rehabilitation. Once the applicant has presented its case, parties in opposition or others may then present their own evidence. The commission may also bring in its own expert witnesses to testify. As noted above, the burden of proof rests on the property owner.

In hearing economic hardship matters, commissions must be prepared to make a legally defensible decision based on all the evidence presented. In the event of conflicting expert testimony, which is often the case in economic hardship proceedings, the commission will need to weigh the evidence, making specific findings on the relative credibility or competency of expert witnesses.

In evaluating the evidence, the commission should ask itself five distinct questions:

- 1. Is the evidence sufficient?* Does the commission have all the information it needs to understand the entire picture, or is something missing. The application is not complete unless all the required information has been submitted. If additional information is needed, ask for it.
- 2. Is the evidence relevant?* Weed out any information that is not relevant to the issue of economic hardship in the case before you. Commissions may be given more information than they need or information that is not germane to the issues, such as how much money the project could make if the historic property were demolished. The property owner is not entitled to the highest and best use of the property.
- 3. Is the evidence competent?* Make an assessment as to whether the evidence establishes what it purports to show.
- 4. Is the evidence credible?* Consider whether the evidence is believable. For example, ask whether the figures make sense. A commission will need to take into consideration the source of the evidence and its reliability. (If the evidence is based on expert testimony, the commission should determine whether the expert is biased or qualified on the issue being addressed. For example, it may matter whether

a contractor testifying on rehabilitation expenditures actually has experience in doing historic rehabilitations.)

5. *Is the evidence consistent?* Look for inconsistencies in the testimony or the evidence submitted. Request that inconsistencies be explained. If there is contradictory evidence, the commission needs to determine which evidence is credible and why.

In many instances the applicant's own evidence will fail to establish economic hardship. However, in some situations, the question may be less clear. The participation of preservation organizations in economic hardship proceedings can be helpful in developing the record. Commissions should also be prepared to hire or obtain experts of their own. For example, if a property owner submits evidence from a structural engineer that the property is structurally unsound, the commission may need to make an independent determination, through the use of a governmental engineer or other qualified expert, as to the accuracy of that information. It may be impossible to evaluate the credibility or competency of information submitted without expert advice.

The record as a whole becomes exceedingly important if the case goes to court. Under most standards of judicial review, a decision will be upheld if it is supported by substantial evidence. Thus, in conducting administrative proceedings, it is important that evidence provides a true and accurate story of the facts and circumstances and that the commission's decision is based directly on that evidence.

## EVIDENTIARY CHECKLIST

The following checklist may serve as a useful tool for local commissions and other regulatory agencies considering economic hardship claims:

### 1. Current level of economic return:

- Amount paid for the property, date of purchase, party from whom purchased, and relationship between the owner of record, the applicant, and person from whom property was purchased,
- Annual gross and net income from the property for the previous three years; itemized operating and maintenance expenses for the previous three years, and depreciation deduction and annual cash flow before and after debt service, if any, during the same period,
- Remaining balance on the mortgage or other financing secured by the property and annual debt-service, if any, during the prior three years,
- Real estate taxes for the previous four years and assessed value of the property according to the two most recent

assessed valuations,

- All appraisals obtained within the last two years by the owner or applicant in connection with the purchase, financing, or ownership of the property,
  - Form of ownership or operation of the property, whether sole proprietorship, for-profit or not-for-profit corporation, limited partnership, joint venture, or other,
  - Any state or federal income tax returns relating to the property for the last two years.
2. Any listing of property for sale or rent, price asked, and offers received, if any within the previous two years, including testimony and relevant documents regarding:
    - Any real estate broker or firm engaged to sell or lease the property,
    - Reasonableness of price or rent sought by the applicant,
    - Any advertisements placed for the sale or rent of the property.
  3. Feasibility of alternative uses for the property that could earn a reasonable economic return:
    - Report from a licensed engineer or architect with experience in rehabilitation as to the structural soundness of any buildings on the property and their suitability for rehabilitation.
    - Cost estimates for the proposed construction, alteration, demolition, or removal, and an estimate of any additional cost that would be incurred to comply with the requirements for a certificate of appropriateness,
    - Estimated market value of the property: (a) in its current condition, (b) after completion of the proposed alteration or demolition, and (c) after renovation of the existing property for continued use,
  4. Any evidence of self-created hardship through deliberate neglect or inadequate maintenance of the property.
  5. Knowledge of landmark designation or potential designation at time of acquisition.
  6. Economic incentives and/or funding available to the applicant through federal, state, city, or private programs. ■

*Julia Miller works in the Law and Public Policy office at the National Trust for Historic Preservation.*