

**Application for
Tax Abatement
for Rehabilitation of Property in a
Local Historic District**

**City of Austin
Historic Preservation Office
Austin, Texas
512-974-2727**

City of Austin Local Historic District Tax Abatement

To encourage preservation and maintenance of the architectural character of local historic districts, the City makes available property tax abatements to the owners of contributing and potentially contributing properties who have completed substantial rehabilitation or restoration projects. The program abates 100% of the city property taxes assessed on the added value of a property that results from the rehabilitation or restoration project for a designated number of years. Improvements must comply with the local historic district's preservation plan.

ABATEMENT AVAILABLE BY PROPERTY TYPE:

| Category of property | Ownership type | Required minimum expenditure | Minimum % that must be spent on exterior improvements | Amount of abatement | Duration of abatement | Frequency abatement may be granted |
|--|---------------------------|--|---|--|-----------------------|------------------------------------|
| Residential | Owner occupied | Equal to 25% of pre-restoration value* of structure | 5% | 100% of the city taxes assessed on the added value of the property | 7 years | Once every 10 years |
| Residential located within Revitalization Area** | Owner occupied | Equal to 10% of pre-restoration value * of structure | 5% | 100% of the city taxes assessed on the added value of the property | 10 years | Once every 15 years |
| Commercial | Income-producing property | Equal to 40% of pre-restoration value * of structure | 5% | 100% of the city taxes assessed on the added value of the property | 10 years | Once every 15 years |
| Commercial located within Revitalization Area** | Income-producing property | Equal to 30% of pre-restoration value * of structure | 5% | 100% of the city taxes assessed on the added value of the property | 10 years | Once every 15 years |

*Pre-restoration value means the most recent appraisal of the value of the property by the appraisal district before an application is submitted for abatement.

**Revitalization Area is the area bounded by Interstate 35 from Manor Road to Riverside Drive, Riverside Drive from Interstate 35 to Highway 71, Highway 71 from Riverside Drive to Highway 183, Highway 183 from Highway 71 to Manor Road, and Manor Road from Highway 183 to Interstate 35.

APPLICATION PROCESS:

The program involves a three (3) step application process that requires approval by the Historic Landmark Commission and the Historic Preservation Office. Approval of Part I is required prior to starting any work.

Part I – Application for Certification of Eligibility

Upon submission of a complete application for Certificate of Eligibility, including an application for a Certificate of Appropriateness, the case will be placed on the next Historic Landmark Commission (HLC) agenda for review. Incomplete applications will not be forwarded to the HLC for action.

Deadline for application: first day of the month prior to Historic Landmark Commission meeting.

Part II – Verification of completed work and review of expenditures

Upon completion of the work, issuance of a certificate of occupancy, and submission of the Application for Verification, the Historic Preservation Officer will inspect the property to ensure the

work complies with the approved Certificate of Eligibility and Certificate of Appropriateness. The Historic Preservation Officer will also review the record of expenditures and receipts to determine the eligibility of all expenditures. If the verification is approved by the Historic Preservation Officer, a Certificate of Verification will be issued to the property owner and forwarded to the Travis County Appraisal District.

Deadline for completion of work: a certificate of occupancy must be obtained within 2 years after the date the Certificate of Eligibility is approved.

Part III – Annual application to Travis County Appraisal District

Property owners must submit an annual request to the Travis County Appraisal District to receive the abatement.

The tax abatement goes into effect the first day of the first tax year after verification is obtained.

ELIGIBLE EXPENSES: Per 11-1-63 (6) of City Code, only work for which a certificate of appropriateness or City permit is required is included in determining whether the proposed work exceeds the specified percentage of pre-restoration value.

ELIGIBLE EXPENSES:

- Labor/materials related to eligible costs
- Demolition related to eligible costs or to remove non-historic exterior additions and features
- Repair, restoration or replacement of historic façade and landscape features, including reconstruction of missing features.
- Exterior masonry and siding repair
- Roofing
- Foundation
- Structural repairs
- Gutters
- Windows
- Exterior doors
- HVAC systems (permanent)
- Electrical, plumbing and gas systems (permanent)
- Escalators/Elevators
- Fire Escapes
- Sprinkler/Fire suppression systems
- Security system (if permit required for installation)
- Interior partitions, ceilings, floors (if permit required for installation)
- Signage
- Solar panels and other “sustainable” improvements
- Exterior paint
- Above listed work on outbuildings deemed contributing structures

INELIGIBLE EXPENSES:

- Light fixtures
- Interior painting, papering, tiling, carpeting, cabinets, counter tops and similar finish work
- Appliances
- Furniture
- Window treatments
- Decks/patios not original to building
- Demolition costs related to removal of contributing buildings or structures
- Construction of new buildings
- Non-historic landscape features (e.g. retaining walls, fencing, paving, planters, vegetation, paths, sidewalks)
- Parking lot
- Architectural and engineering fees
- Building permit, variance, zoning or platting application fees
- Feasibility studies
- Financing fees
- Leasing expenses
- Storm sewer costs
- Legal/Accounting fees
- Purchase of, or repair to, construction tools and equipment
- Taxes, except sales tax for eligible expenses

FREQUENTLY ASKED QUESTIONS:

1. How do I know if my property is in a local historic district?

Properties located within a local historic district have an “HD” in their zoning classification (e.g. SF-3-HD-NP). You can determine your property’s zoning classification by searching for the property address on the City of Austin’s internet GIS viewer (<http://www.austintexas.gov/GIS/developmentwebmap/Viewer.aspx>), or by visiting the City’s Historic Preservation Office web site at <http://www.austintexas.gov/department/historic-preservation>.

2. What is a “contributing” property?

Historic districts are comprised of two types of properties, contributing and non-contributing. Broadly defined, a contributing property is any structure built during the district’s period of significance that adds to the historical integrity or architectural qualities that make a historic district significant. In general, contributing properties are integral parts of the historic context and character of a historic district. Properties are classified as contributing or non-contributing as part of the process of adopting the local historic district zoning overlay. You can determine if your property is a contributing building by visiting the City’s Historic Preservation Office (CHPO) web site at <http://www.austintexas.gov/department/local-historic-districts>, or by contacting the CHPO at 512-974-2727.

3. If my property is not a contributing building in the district, am I eligible to receive the Local Historic District tax abatement?

Yes, if your property is at least 50 years old, and would be “contributing” to the district if not for non-historic alterations. If the improvements you propose remove the non-historic architectural features, or restore original features and bring your property to contributing status for the district, and the project meets other requirements of the program, you may be eligible to receive the rehabilitation tax abatement.

4. What guidelines are used to determine if the work I propose is appropriate?

All work must comply with the Preservation Plan and Design Standards adopted for the local historic district in which the property is located and all work must be approved by the Historic Landmark Commission. The Standards for each Local Historic District can be found on the City of Austin’s Historic Preservation Office web site.

5. If I sell my property, can the new owner receive the abatement?

The abatement is transferred to new owners within the allowed duration period, however new owners are required to submit a request to the Travis County Appraisal District annually to receive the abatement.

6. What if I have completed my rehabilitation work prior to submitting my application?

Abatements can not be applied to expenditures made prior to approval of the Certificate of Eligibility.

7. Can I appeal a denial of the Certification of Eligibility or Certificate of Verification?

If the Historic Landmark Commission determines your project is not eligible for abatement you may appeal the decision to the Planning Commission. To appeal you must file a written request with the Historic Preservation Office not later than the 30th day after the date written notice of the decision is provided to you. On appeal, the Planning Commission shall consider only whether the Historic Landmark Commission erred in determining your project not eligible for the abatement under Section 11-1-63 of the City ordinance.

City of Austin
Local Historic District Tax Abatement
Part I - Application for Certificate of Eligibility

PART I - APPLICATION CHECK LIST:

- ___ Completed Application for Certificate of Eligibility signed by owner.
- ___ Estimate of costs for eligible work.
- ___ Completed Certificate of Appropriateness Application signed by owner.
- ___ Proof of pre-rehabilitation value from the Travis County Appraisal District.
- ___ Signed authorization for City Officials to inspect the property, and affidavit stating all property taxes are current and no city fees, fines, or penalties are owed on property owned by a business association in which the applicant has an ownership interest.
- ___ Current tax certificate providing proof no property taxes or City fees, fines, or penalties are delinquent on the property.
- ___ Proforma and development budget, if an estimated abatement is over \$100,000.
- ___ Letter of intent from a financial institution or potential investors, if applicable.

**City of Austin
Local Historic District Tax Abatement
Part I - Application for Certificate of Eligibility**

Address of property: _____

Name of Local Historic District: _____

Contributing property Non-contributing property

Legal Description of Property: _____

Tax Parcel ID Number: _____

APPLICANT/PROJECT CONTACT:

Name: _____ Telephone: (____) _____

Mailing Address: _____ Mobile phone: (____) _____

City: _____ State: ____ Zip: _____ Email: _____

OWNER:

Name: _____ Telephone: (____) _____

Mailing Address: _____ Mobile phone: (____) _____

City: _____ State: ____ Zip: _____ Email: _____

Proposed Use of the Property: _____

Proposed Scope of Work:

Projected Construction Schedule: _____

Has the property received any other property tax relief under § 11.24 of the Texas Tax Code?:

Describe all City Code violations, if any, on the property within the previous five years:

| | |
|---|-------|
| For Historic Preservation Office use only: | |
| <input type="checkbox"/> Property is not a contributing or potentially contributing structure | |
| <input type="checkbox"/> Certificate of Eligibility approved by Historic Landmark Commission | |
| <input type="checkbox"/> Certificate of Eligibility <u>not</u> approved by Historic Landmark Commission | |
| _____ | _____ |
| Historic Preservation Officer | Date |

City of Austin
Local Historic District Tax Abatement
Part I - Application for Certificate of Eligibility

THE STATE OF _____ §
COUNTY OF _____ §

STATEMENT OF UNDERSTANDING, AUTHORIZATION FOR INSPECTION OF PROPERTY,
AND AFFIDAVIT REGARDING TAXES, FEES, FINES AND PENALTIES

Property Address: _____
Owner's Name: _____

I am over 18 years of age and am competent to sign this Affidavit.
I am the owner of the property identified above.
I am seeking a tax abatement for the property identified above.

I certify that the information in the application for a tax abatement, including all supporting documentation, is complete and correct.

I authorize city officials to visit and inspect the property as necessary to certify eligibility and verification for a tax abatement.

I acknowledge that I have read and understand the program requirements, and that I will not receive an abatement until all program requirements have been met and I have obtained a certificate of verification from the City of Austin.

I understand that all rehabilitation work must be completed within 2 years after the date of the issuance of a Certificate of Eligibility and Certificate of Appropriateness. If the deadline for completion is subsequently extended by the Historic Landmark Commission all rehabilitation work must be completed by the extended time specified. I understand that penalties may apply if I do not complete the work as proposed and approved by the Historic Landmark Commission.

I affirm that improvements will comply with the historic area combining district Preservation Plan and Design Standards.

I understand that I must make an application to Travis County Appraisal District each year in order to receive the abatement for that year, and that if I do not make the application in time, I will lose the ability to receive a tax abatement for that year.

All property taxes are current, and no City of Austin fees, fines or penalties are owed, on the property or any property owned by a business association in which I have an ownership interest.

Signature _____
Owner/Applicant Date

I declare under penalty of perjury that the statements above are true and correct.

Subscribed and sworn to before me, by the said _____, this
the _____ day of _____, _____, to certify which witness my hand and seal of office.

Notary Public, State of _____
My commission expires _____

City of Austin
Local Historic District Tax Abatement
Part II - Verification of Work Completed and Statement of Expenditures

PART II - VERIFICATION CHECK LIST:

- ___ Complete Part II - Application for Verification including Record of Expenditures.
- ___ Copy of the approved Certificate of Eligibility.
- ___ Signed Statement of Compliance with Certificate of Appropriateness and Minimum Expenditures, Authorization for Inspection by City Officials, and Affidavit Regarding Taxes, Fees, Fines and Penalties
- ___ Copy of the Certificate of Occupancy.
- ___ Executed Commitment to Repay, acknowledged before a notary public.
- ___ Copy of City Council resolution if the abatement exceeds \$50,000.

City of Austin
Local Historic District Tax Abatement
Part II - Verification of Work Completed and Statement of Expenditures

Address of property: _____

Name of Historic District: _____

Legal Description of Property: _____

Tax Parcel ID Number: _____

APPLICANT/PROJECT CONTACT:

Name: _____ Telephone: (____) _____

Mailing Address: _____ Mobile phone: (____) _____

City: _____ State: ____ Zip: _____ Email: _____

OWNER:

Name: _____ Telephone: (____) _____

Mailing Address: _____ Mobile phone: (____) _____

City: _____ State: ____ Zip: _____ Email: _____

Date of Certificate of Eligibility: _____

Date Certificate of Occupancy obtained: _____

Brief description of completed Scope of Work:

Total eligible expenditures: _____

Pre-rehabilitation appraised value: _____

| | |
|---|---------------|
| For City Historic Preservation Office use only: | |
| ____ Inspection completed _____. | |
| ____ Work completed per approved Certificate of Eligibility and Certificate of Appropriateness | |
| ____ Work <u>not</u> completed per approved Certificate of Eligibility and Certificate of Appropriateness | |
| _____ Historic Preservation Officer | _____ Date |

City of Austin
Local Historic District Tax Abatement
Part II - Verification of Work Completed and Statement of Expenditures

THE STATE OF _____ §
COUNTY OF _____ §

STATEMENT OF COMPLIANCE WITH CERTIFICATE OF APPROPRIATENESS AND MINIMUM
EXPENDITURES, AUTHORIZATION FOR INSPECTION BY CITY OFFICIALS,
AND AFFIDAVIT REGARDING TAXES, FEES, FINES AND PENALTIES

Property Address: _____
Owner's Name: _____

I am over 18 years of age and am competent to sign this Affidavit.
I am the owner of the property identified above.
I am seeking a tax abatement for the property identified above.

I certify that the information in this application for a tax abatement, including all attachments, is complete and correct. I certify that I have made the minimum expenditure on the rehabilitation project in compliance with any certificates of appropriateness.

I authorize city officials to visit and inspect the property as necessary to certify eligibility and verification for a tax abatement.

I acknowledge that I have read and understand the program requirements, and that I will not receive an abatement until all program requirements have been met and I have obtained a certificate of verification from the City of Austin.

I affirm that the improvements comply with the historic area combining district Preservation Plan and Design Standards.

I understand that I must make an application to Travis County Appraisal District each year in order to receive the abatement for that year, and that if I do not make the application in time, I will lose the ability to receive a tax abatement for that year.

All property taxes are current, and no City of Austin fees, fines or penalties are owed, on the Property or any property owned by a business association in which I have an ownership interest.

Signature _____
Owner/Applicant Date

I declare under penalty of perjury that the statements above are true and correct.

Subscribed and sworn to before me, by the said _____, this
the _____ day of _____, _____, to certify which witness my hand and seal of office.

Notary Public, State of _____
My commission expires _____

City of Austin
Local Historic District Tax Abatement
Part II - Verification of Work Completed and Statement of Expenditures

THE STATE OF _____ §
COUNTY OF _____ §

CITY OF AUSTIN HISTORIC AREA DISTRICT TAX ABATEMENT
STATEMENT OF COMMITMENT TO REPAY TAXES FOR NONCOMPLIANCE

Property Address: _____
Owner's Name: _____

I am over 18 years of age and am competent to sign this Affidavit.
I am the owner of the property identified above.
I am seeking a tax abatement for the property identified above.

I, the owner of property identified above, do hereby commit to repay to the City of Austin all City taxes previously abated on property should the property be determined by the City Building Official or Historic Preservation Officer to be out of compliance with any of the provisions of Section 25-11 of the City of Austin Code of Ordinances or the historic area combining district Preservation Plan and Design Standards.

I understand this commitment shall be filed by the City of Austin in the Travis County Deed Records and shall run with the land and bind the owner and the owner's heirs and assigns. I further understand that any unpaid repayment shall constitute a lien against said property.

I hereby indemnify the City of Austin against all claims arising out of the granting of an abatement.

Signature _____
Owner/Applicant Date

I declare under penalty of perjury that the statements above are true and correct.

Subscribed and sworn to before me, by the said _____, this
the _____ day of _____, _____, to certify which witness my hand and seal of office.

Notary Public, State of _____
My commission expires _____