Landmark Ordinance Update
Task Force

Meeting 5
August 14, 2018
1. How do we encourage proactive designation?
2. What would help incentivize designation?
3. Once a property is designated, how can we reduce barriers?

Incentives, building-code, and zoning-code relief are not part of the Landmark Ordinance

• These are potential policy updates, zoning code amendments, changes to rules and regulations, etc.
• We ask you to think of creative ideas for today’s discussion, but Landmark and CPD staff may not be able to take action on some of ideas generated today. Other ideas may require lengthy review and evaluation.
• Our goal is for plan and policy support before attempting to enact any of today’s recommendations.
The Denver Zoning Code includes direct and indirect incentives for historic preservation. Additional zoning incentives could be explored to further promote designation. But—Many existing zoning provisions offer significant flexibility...which leaves less room for incentives than may exist in some other cities.
What Denver Has Now

• Citywide Incentives
  – Parking
    • Uses in a Historic Structure may generally be changed without meeting any higher parking requirements for new use (DZC 10.4.5.1.C)
  – Custom Zoning Solutions
    • Potential justification for Planned Unit Development (PUD) to promote preservation

Temple Emanuel at 16th and Pearl
What Denver Has Now

• Zoning Overlay Districts
  – Historic Structure Use Overlay (UO-3)
    • Allows office, art studio and B&B uses in a Historic Structure
    • Parking must be provided unless adjustment granted
  – Curtis Park Conservation Overlay (CO-2)
    • Allows a detached accessory structures to exceed height, bulk plane and building coverage when located on a lot with a Historic Structure
  – Other Existing Overlays (i.e., CO-3)
    • Indirect preservation incentives by aligning standards to context
  – Additional Conservation or Design Overlays are Possible

733 E. 8th Street: G-MU-3 zoning with UO-3 overlay to allow limited non-residential uses

2900 South University: S-SU-F zoning with UO-3 overlay to allow limited non-residential uses
• Incentives in Downtown Zone Districts (D-C, D-GT, D-AS) & Some Former Chapter 59 Districts
  – Additional floor area for historic rehabilitation
  – Transfer of ‘undeveloped floor area’ from a Historic Structure
• Other Specialized Incentives
  – No minimum parking for contributing buildings in Lower Downtown Historic District (D-LD zoning)
Administrative Adjustments

- Allows exception to maximum height and bulk plane for individual landmarks or properties in historic districts
- Only allowed if the LPC finds that conforming to height or bulk plane requirements “would have an adverse impact upon the historic character of the individual landmark or the historic district”
- Requires a motion by the Landmark Preservation Commission

3625 Alcott Street: compliance with bulk-plane requirement would have an adverse impact on the character of the district
What Denver Has Now

Board of Adjustment Variances

- Landmark Preservation Commission may recommend approval of a zoning variance to Board of Adjustment if zoning requirement “would have an adverse impact upon the historic character of the individual landmark or the historic district”

- Typically for setbacks, stepbacks, but may also be allowed for other zoning requirements

- Also requires a motion by the LPC to recommend variance

2401 California St & 2400 Stout Street: compliance with zoning setback requirements would have an adverse impact on the character of the district
Building Code Amendments

• 2016 Denver Building Code Amendments
  – Exemption to requirements of code if compliance would damage contributing historic features, character, historic form, fabric or function of building
  – And if compliance would be in conflict with locally adopted preservation policies, standards, and guidelines
  – Applicable to both residential and commercial properties


2601 Blake Street: proposed steel windows matching existing windows would not comply with IECC requirements
What Denver Has Now

International Existing Building Code (IEBC)

• Chapter 12 - Historic Buildings
  – Transoms on internal corridors may be retained if fixed closed and sprinklers behind transom
  – Historically significant stairways are not required to comply with handrail and guard requirements
  – Existing stair handrails and guards may be retained if they are not structurally dangerous
What Denver Has Now

- Colorado Historic Preservation Tax Credits
  - Rehabilitation of historic material
    - Interior and exterior
    - Reroofing, repointing, woodwork
    - HVAC, electrical, plumbing
    - Window rehab or replacement
  - Residential 20%
    - Cap of $50,000
  - Commercial 20% (projects over 2 million)
    - Cap of 1 million
  - Commercial 25% (projects under 2 million)
    - Cap of 1 million
What Denver Has Now

• Colorado Historic Preservation Tax Credits

• Completed Work (2015-2018):
  – 46 applicants have used the tax credit since 2015
  – Project investment: $4,416,653
  – Tax credits awarded: $880,462

• In progress:
  – 16 projects
  – Project investment: $2,080,539
  – Additional $416,108 of tax credits
What Denver Has Now

- Federal Tax Credits
  - 20% income tax credit
  - Income-producing properties
  - Certified historic structures
  - Rehabilitation following the Secretary of the Interior’s Standards
    - Nationwide preservation standards
• **State Historical Fund**  
  – Managed by History Colorado

• **Grant maximum $200,000 per round**  
  – Two rounds per year
  – Matching grant  
    • 75% - 25% non-profit or city applicant  
    • 50% - 50% private owner applicant

• **Rehabilitation of historic properties**  
  – Secretary of the Interior’s Standards

• **Planning grants**  
  – Historic Structures Assessment  
  – Survey and Inventory  
    • Discover Denver’s primary source of funding
What Denver Has Now

• **Downtown Historic District Tax Rebate**
  – Approved in 2000 by Denver City Council
  – Applies to Downtown Historic District only

• Offset property tax rates for historic property owners in this historic district

• For preservation and maintenance structures
  – Elevations must be in good repair
  – Elevations must be substantially original in appearance
  – Systems must be in good repair
  – Property may not receive financing from Denver Urban Renewal Authority (DURA)
  – Must include tax-paying entities in the structure
What Other Cities Offer

• Non-residential use allowances
  • San Diego, San Francisco, Seattle, Los Angeles, Portland
    – Commercial uses in residential zone districts
    – Similar to Denver’s UO-3

• Setback, height, bulk plane
  • Boulder, Seattle, San Francisco
    – Provide flexibility to encourage use and sensitive alterations of historic buildings
    – Similar to Denver’s LPC recommendations
What Other Cities Offer

• Lot coverage or open space
  • Boulder, Seattle, San Francisco
  – Waive or modify standards

• Parking and loading requirements
  • San Francisco, Seattle, San Diego, DC
  – Waive or modify standards
What Other Cities Offer

- Restoration or reconstruction of historic signs/marquees beyond current allowances (San Francisco)
  - Waive or modify standards
• Density (Portland)
  – Additional density
  – Landmarks in single-dwelling zones may be used as multi-dwelling structures
    • Maximum of one dwelling unit for each 1,000 square feet of site area
  – No additional off-street parking is required
  – Existing number of off-street parking spaces must be retained
  – Landmark may be expanded through historic design review
• Deconstruction (Portland)
  – Demolition permit of a house or duplex must fully deconstruct
  – If built in 1916 or earlier or is a designated historic resource
    • National Register
    • Local Landmark or District
    • Local Conservation Landmark or District
    • Historic Resource Inventory
  – All houses and duplexes ranked as I, II or III in Historic Resource Inventory are subject to policy regardless of construction date
  – Intent is to incentivize preservation and re-use of historic buildings by incurring cost of deconstruction
  – Historic building material
    • Portland ~90% frame construction
    • Denver primarily brick construction
• Waiver of city sales tax on construction materials (Boulder)
  – At least 30 percent of the value of materials purchased are for the building's exterior
  – Project must have undergone Landmark design review

• City permit fees waived (Chicago)
  – Individual landmarks, buildings in historic districts, new infill in historic districts
  – Only for projects the Commission reviews and approves
What Other Cities Offer

• **Landmark Rehabilitation 0% Interest Loan Program (Fort Collins)**
  – Individual Landmarks and contributing buildings in historic districts
  – Repaid when the property is sold or transferred
  – One loan cycle per year
    • Maximum loan is $7,500
    • Minimum cash match of 50% of the total project cost
    • Grant funds provided by other organizations can be used for a cash match.
  – Dedicated City staff that administers the program
  – Typically fund three zero interest loans ($22,500) annually

• **Colorado Historical Foundation**
  – Statewide Revolving Loan Fund
    • CHFA is the fiscal agent
  – Below market, fixed rate loans
    • Flexible, up to five years
    • Non-profit, public entities, private individuals
    • Over $100,000, below $750,000
    • Generally awarded to commercial properties
  – Must meet Secretary of the Interior’s Standards
What Other Cities Offer

• Legacy Business Historic Preservation Fund (San Francisco)
  – Legacy Business
    • Businesses and nonprofits that are 30 years or older
    • Have made a significant impact on the history or culture of their neighborhood
  – Grants to Legacy Business
    • Owners
    • Property owners with lease extensions to Legacy Business tenants
    • Maintain historic name and craft of businesses
    • Capped at $50,000 per Legacy Business and $22,500 for building owners
  – First legislation in the nation to recognize notable small businesses as historic assets and incentivize their preservation

La Victoria Bakery, established in 1951 Panaderías, or bakeries, are a staple in the Mission.
What Other Cities Offer

- **Historic Homeowner Grant Program (D.C.)**
  - Financially assist homeowners with the preservation of their historic residence
    - Repair, restoration or replacement of exterior features and significant structural repairs
  - Owner-occupied residential properties that contribute to twelve targeted historic districts
    - Awards up to $25K ($35K for Anacostia)
    - Cash match
  - Grants only awarded to low and moderate income households as defined by HUD
• Additional financial incentives that are unlikely to be feasible in Denver or Colorado

• Community Preservation Act (Boston)
  – Collects a percentage of real estate taxes
    • Preservation, affordable housing, and open space projects
  – Funds about $20 million worth of projects in total
    • Primarily dedicated to affordable housing
    • Enables to offset the cost of preservation/rehab for a few projects each year

• Adopt-A-Landmark Fund (Chicago)
  – Generated by downtown construction projects to support restoration of buildings
    • Neighborhood Opportunity Bonus
    • Developers pay a voluntary fee to achieve increased density in certain downtown districts
    • Ten percent to Landmark
  – Individually designated or a contributing building
    • Excludes single-family homes and residential buildings of six units or less

• Tax abatement or valuation for rehabilitation and maintenance of historic properties
  – San Diego, San Francisco, Los Angeles, Austin, Philadelphia, Chicago, Seattle
  – State enabling laws allow tax abatements; these states do not have robust tax credit programs like Colorado’s
Density Through ADUs

Incentives and reduced requirements require plan and policy support

Blueprint Denver 2018 (Draft)

Diversify housing choice through the expansion of accessory dwelling units throughout all residential areas.

Accessory dwelling units (ADUs) can add variety to the housing stock in low density residential neighborhoods without significantly changing the existing character. As Denver allows ADUs throughout the city, it is important to understand impacts in areas vulnerable to displacement.

A. Study and implement allowances for ADUs in all neighborhood contexts and residential zone districts. Use an inclusive community input process to respond to unique considerations in different parts of the city.

B. Identify strategies to prevent involuntary displacement—especially in areas that score high for Vulnerability to Displacement. In conjunction with expanding the allowance of ADUs into new neighborhoods.

C. Create a citywide program to expand access to the construction of ADUs as a wealth-building tool for low- and moderate-income homeowners.

D. Study and implement incentives to encourage income-restricted ADUs, so they are more likely to provide affordable housing options, and to encourage the use of ADUs for long-term housing options, rather than short term rentals.

E. A citywide approach to enable ADUs is preferred. Until a holistic approach is in place, individual rezonings to enable ADUs in all residential areas, especially where adjacent to transit, are appropriate. These rezonings should be small in area in order to minimize impacts to the surrounding residential area.

Denver Design Guidelines

Small-Scale Residential Buildings

GARAGES & SECONDARY STRUCTURES

- Design in new garage or secondary structure be compatible with, and
- Additions to, the primary structure and surrounding features context.
TASK FORCE DISCUSSION
DEMOLITION REVIEW PROCESS
Demolition and Designation Review

- Demo app received
- Demo app reviewed
  - Cesar Chavez Day
- Approved or Posted for public notification
- Notice of Intent to File
- Demo app approved or withdrawn or Designation app received
- Landmark reviews
- Landmark notice for LPC
- LPC Public Hearing
- LUTI
- Mayor Council
- First Reading
  - Independence Day
- Second Reading
- Mayor Signature

25 Day Notice

Day 120
Proposed Demo Review & Designation Process

- Demo app received
- Demo app reviewed
  - Cesar Chavez Day
- Approved or Posted for public notification
- Notice of Objection
- Facilitated Stakeholder Meeting
- Demo app approved or withdrawn or Designation app received
- Landmark reviews
- Landmark notice for LPC
- LPC Public Hearing
  - Independence Day
- LUTI
- Mayor Council
- First Reading
- Second Reading
- Mayor Signature

60 Day Posting
25 Day Notice
21 Day Posting
Day 120
Process Timeline

Approximate 32 day notice

1. 1 Day Notification
2. 14 Day Notification
3. 35 Day Notification
4. 42 Day Notification
5. 74 Day Notification
6. LUTI
7. Mayor Council
8. City Council First Reading
9. City Council Public Hearing
10. Mayor Signs
11. Deadline

Approximate 20 day notice

1. 1 Day Notification
2. 14 Day Notification
3. 35 Day Notification
4. 42 Day Notification
5. 62 Day Notification
6. 76 Day Notification
7. LUTI
8. Mayor Council
9. City Council First Reading
10. City Council Public Hearing
11. Mayor Signs
12. Deadline
Proposed Demo Review & Streamlined Designation Process

- Demo app received
- Demo app reviewed
  - Cesar Chavez Day
- Approved or Posted for public notification
- Notice of Objection
- Facilitated Stakeholder Meeting
- Demo app approved or withdrawn or Designation app received
- Landmark reviews
- Landmark notice for LPC
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QUESTIONS