

Application for Special Valuation

STAFF REPORT OF FINDINGS

Historic Name: Folsom House
Property Address: 204 E 14th Avenue
Applicant: Charles and Miranda Hausberg, owners
Date: Application submitted 3/26/2026

MANAGEMENT AGREEMENT: The Folsom House was listed on the Spokane Register of Historic Places on 12/15/2008. The Folsom House does have a Management Agreement that covers the exterior of the house as well as the rock walls at the entrance to the property.

DESCRIPTION OF REHABILITATION: The work at the Folsom House consists of extensive work to the grounds to remediate water infiltration and drainage issues that impacted the house; roof and gutter repair; window treatments; electrical repairs, etc. Period of special valuation is from March of 2024 through March of 2026.

Exterior:

- **Roof & Rain Gutter Repair:** The roof was repaired/rebuilt over the primary bedroom where the existing (non-historic) primary-bathroom skylight was removed. Flashing was repaired around chimneys; missing snow hooks were replaced; missing or broken tiles were replaced; loose slate roof tiles were replaced. West façade rain gutters repaired. Roof was rebuilt/repared and copper flashing installed below previous second-story primary bath window.
- **Drainage Project:** This a large-scale drainage project intended to protect the house from continuous water damage. Water had been regularly entering the basement, damaging flooring and creating recurrent mildew in walls, flooring, subflooring, and stored items for many years. To remedy these water issues, we initially replaced the basement flooring at least twice in each room, installed a sump pump in the lowest point of the basement, and severed irrigation lines to gardens beds lining the house. None of these measures solved the constant problems with mildew, damp walls and floors, and intermittent standing water throughout the basement. A new drainage system was installed throughout the driveway and along the north and west facades of the house and patio, removed garden beds and irrigation adjacent to the house, and regraded the driveway and surrounding hardscape to direct water into the new drains.

Interior:

- **Windows & Window Treatment:** New front-entry window and kitchen windows were installed; windows were ordered and made for future kitchen renovation. Permanent, custom window treatments (shades, blinds & cornice) were installed in the primary bedroom, east and south bedrooms, living room, family room, kitchen, and sunroom.
- **Electrical & Plumbing:** New electrical fixtures installed in front entry, library, primary and east bedrooms and baths, and living room. All new electrical work on second floor in primary and east bedrooms and baths. Electrical repairs to breaker boxes, existing wiring in upstairs south and west bedrooms, basement, main hall, and kitchen. Generator installed. Plumbing fixtures installed in primary and east bedroom bathrooms. Valve relocated and insulated in basement.

- **HVAC:** Replaced air handler, HVAC towers and boiler; installed mini-splits in family room, south bedroom, living room, and kitchen; insulated HVAC equipment and lines in attic; installed HEPA filtration system.
- **Wallpaper, Painting, Wall Repair:** Wallpaper installed in west bedroom, living room, sunroom, and half bath. All bedrooms, main hall (including stair, railing, & balusters), sunroom, family-room trim, half-bath ceiling, library, living room and front entry were repainted; walls repaired throughout house following HVAC work.
- **Flooring, Tile, Countertops:** Hardwood floors installed in three bedrooms; tile and stone countertops installed in primary and east-bedroom bathrooms. Carpet runner installed on main stair and second-floor hall.
- **Cabinetry, Bookshelves, Carpentry, Doors, Mirrors:** Fifteen new doors installed; new cabinetry installed in primary and east-bedroom closets and baths; new built-in bookshelves installed in all bedrooms. All new trim, crown molding, and baseboards installed in three bedrooms; new frame built for front door. Two glass shower doors, two medicine cabinets, and thirteen mirrors installed throughout bedrooms and bathrooms. New door hardware and locks installed in basement, main floor, and second-floor bedrooms and baths. New metal headers were installed over four entryways with engineer consult.

FINDINGS OF FACT:

Authority to review the Special Valuation application: Under Ordinance No. C-31094, 6.05.100 (SMC 17D.100.310) the Landmarks Commission has the authority to “serve as the local review board for special valuation of historic property in Spokane” and to “approve or deny applications for special valuation.”

Does the application meet the Special Valuation criteria set forth in RCW 84.26?

- The property must “be a historic property” and “fall within a class of historic property determined eligible for special valuation by the local legislative authority.” RCW 84.26.030

Listed on Spokane Register?

The Folsom House was listed on the Spokane Register of Historic Places on December 15, 2008. The Folsom House does have a signed Management Agreement.

☒ **YES**

☐ **NO**

- The property must “be rehabilitated at a cost which meets the definition set forth in RCW 84.26.020(2) (“at least 25% of the assessed valuation of the property, exclusive of the assessed value attributable to the land, prior to rehabilitation”) within twenty-four months prior to the application for special valuation.”

Rehab cost over 25% of the assessed valuation?

☒ **YES**

☐ **NO**

Rehab work within 24 months prior to application?

☒ **YES**

☐ **NO**

- The property must be protected by an agreement between the owner and the local review board as described in RCW 84.26.050(2).

Property owners entered into Management Agreement?

☒ **YES**

☐ **NO**

- The rehab work must meet the standards, “not be altered in a way which adversely affects those elements which qualify it as historically significant” RCW 84.26.050. The work must meet rehabilitation guidelines, as defined in WAC 254-20-030(10) as “the process of returning a

property to a state of utility through repair or alteration, which makes possible an efficient contemporary use while preserving those portions and features of the property which are significant to its architectural and cultural values.”

Certificates of Appropriateness issued for exterior work?

☒ YES ☐ NO

The property owner did receive a COA for the kitchen window replacement as well as the stained glass window in the vestibule in 2023. In 2023, there was also a full Landmarks Commission review of a large addition to the west side of the house which was made much smaller and approved in June of 2023 as well.

- The application must be complete, as defined by WAC 254-20-090 (4) “applications shall include a legal description of the historic property. The owner shall also provide comprehensive exterior and interior photographs of the historic property before and after rehabilitation, architectural plans or other legible drawings depicting the completed rehabilitation work, and a notarized affidavit attesting to the actual cost of the rehabilitation work completed prior to the date of application and the period of time during which the work was performed.”

Completed application?

☒ YES ☐ NO

- The rehab costs must result from one or more of the following (WAC 254-20-030):
 - (a) Improvements to an existing building located on or within the perimeters of the original structure;
 - (b) Improvements outside of, but directly attached to the original structure which are necessary to make the building fully useable (not including rentable/habitable floor space attributable to new construction);
 - (c) Architectural and engineering services attributable to the design of the improvements;
 - (d) “qualified rehabilitation expenditures” as defined by the federal historic preservation investment tax credit.

As noted in “*Tax Aspects of Historic Preservation: Frequently Asked Questions & Answers*” (Mark Primoli, Internal Revenue Service), examples of expenses that do not qualify for the rehabilitation tax credit are acquisition costs, appliances, cabinets, carpeting (if tacked in place and not glued), decks (if not part of original building), demolition costs (removal of a building on property site), enlargement costs (increase in total volume), fencing, feasibility studies, financing fees, furniture, landscaping, leasing expenses, moving (buildings) costs (if part of acquisition), outdoor lighting remote from building, parking lot, paving, planters, porches and porticos (not part of original building), retaining walls, sidewalks, signage, storm sewer construction costs, window treatments (such as drapery).”

Claimed expenses are allowable? Exception noted below:

☒ YES ☐ NO

Claimed expenses are allowable in the amount of \$716,396. Staff worked with the Special Valuation Committee onsite to remove several items that were not eligible for the incentive. Most of those items were directly related to landscaping/hardscape improvements that were not directly related to water mitigation. Items removed were the new asphalt for the much larger driveway installed in the amount of \$26,095; the regrading of the breezeway which, while had some drainage impacts, seemed to be more related to convenience to remove steps in the amount of \$21,126; electrical work on the stairs and retaining wall for lighting was removed in the amount of \$5099; and the new masonry stairs and sidewalls for front entry in the amount of \$41,056. The total amount removed

was \$93,375. Application was made in March of 2026, and value of the house at the beginning of the project (2024) was \$1,513,900.

STAFF REPORT:

The submitted application is complete and should be approved.

Preservation Officer Review?	yes	Date:	10/1/2026
Special Valuation Committee Site Visit?	yes	Site Visit:	10/15/2026
Landmarks Commission Review?	pending	Meeting Date:	10/21/2026