

Adaptive Reuse And Rehabilitation: Connecting Historic Preservation And  
Affordable Housing Developments In Seattle, Washington

Monica Joe

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Committee:

Manish Chalana (Chair)

Robert Mugerauer

Program Authorized to Offer Degree:

Department of Urban Planning

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Monica Joe

University of Washington

**Abstract**

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Monica Joe

Chair of the Supervisory Committee:

Manish Chalana, MArch, MLA, PhD

Department of Urban Design and Planning

Seattle has serious housing affordability issues that need to be addressed using multiple tools. In this work, I have identified the utilization of historic buildings as a potential tool for providing affordable housing. The opportunity to combine Historic Rehabilitation Tax Credits with Low-Income Housing Tax Credits makes this a prime financial opportunity for affordable housing developers. I looked at the stock of current historic buildings that are serving as affordable housing to find patterns in the building characteristics and neighborhood location to see what potential future developers could look for in pursuing this method. I also conducted open-ended interviews with stakeholders involved in these developments to get their perspective on the opportunities and challenges in conducting this work. I find that there are huge financial and policy barriers to utilizing historic buildings for affordable housing, but the availability of tax credits and other funding sources as well as the possibility to form partnerships between preservationists and housing developers provide opportunities for this method to continue to be utilized to address Seattle's affordable housing needs.

## Table of Contents

Abstract.....	1
Index of Tables and Figures.....	3
Introduction	
• The Issue: Affordable Housing in Seattle.....	4
• A Possible Tool: Utilizing Historic Buildings for Affordable Housing.....	5
• Tax Credits: An Important Tool.....	6
Literature Review	
• The Costs and Benefits of Historic Properties in Affordable Housing.....	9
• Seattle, Washington Incentives.....	13
• Doing This Work in Seattle.....	16
Research Design.....	17
Methodology.....	19
Findings	
• Building Analysis.....	22
• Building Examples.....	30
• Open-Ended Interview Themes.....	37
Discussion.....	44
Conclusion.....	49
References.....	52
Appendix.....	58

## Index of Tables and Figures

Table 1: <i>Building Traits of Affordable and Historic Buildings</i> .....	25
Table 2: <i>Complete Building Characteristics</i> .....	27
Table 3: <i>Income Targets and Unit Size</i> .....	29
Figure 1: Previous Use of Buildings.....	25
Figure 2: Construction Method of Buildings .....	25
Figure 3: Year of Rehabilitation of Historic Buildings.....	26
Figure 4: Historic Buildings in Downtown Neighborhoods.....	26
Figure 5: Income Targets of Affordable & Historic Buildings .....	28
Figure 6: Columbia Hotel.....	31
Figure 7: Morrison Hotel.....	31
Figure 8: Pacific Hotel.....	32
Figure 9: Floorplan of the Pacific Hotel after Rehabilitation .....	33
Figure 10: Project Financing for the Pacific Hotel .....	34
Figure 11: Tax Credit Analysis for the Pacific Hotel.....	34
Figure 12: Eastern Hotel.....	35
Figure 13: Cooper Artist Housing.....	35
Figure 14: Sand Point Housing.....	36
Appendix:	
Figure 1: Location of Seattle’s Designated Historic Districts.....	59
Figure 2: Distribution of Historic and Affordable Buildings in Seattle by Neighborhood.....	60
Figure 3: Distribution of Historic & Affordable Buildings in Downtown Neighborhoods .....	61
Figure 4: Distribution of Historic & Affordable Buildings in Sand Point Neighborhood.....	62
Figure 5: Distribution of Historic & Affordable Buildings in North Delridge Neighborhood.....	63
Figure 6: Distribution of Historic & Affordable Buildings in Columbia City Neighborhood.....	64
Figure 7: Distribution of Historic & Affordable Buildings in Broadway Neighborhood.....	65
Figure 8: Distribution of Historic & Affordable Buildings in First Hill Neighborhood.....	66
Figure 9: Distribution of Historic & Affordable Buildings in South Lake Union Neighborhood...	67

## The Issue: Affordable Housing in Seattle

It is no surprise that affordable housing has become a huge issue in Seattle, as many cities across the United States are currently grappling with this issue as well. 41% of Seattle's renter households have incomes at or below 50% of the Area Median Income (AMI), yet only 1/3 to 2/3 of rental housing units in Seattle are affordable and available to them (Housing Development Consortium, 2013). 21% of households in Seattle are cost-burdened, meaning that they pay more than 30% of their household income on housing costs, the standard set by the U.S. Department of Housing and Urban Development (HUD). Additionally, 21% of renter households in Seattle are severely cost-burdened, meaning that these households spend over 50% of their income for housing and are at a significant risk of becoming homeless (Housing Development Consortium, 2013). Seattle faces large housing affordability issues, and creative solutions to these problems may be the keys.

This work is important for Seattle at this time while rents are increasing at an unprecedented rate. According to census data from 2013 Seattle is now among the ten most expensive cities for renters in the United States (Balk, 2014). Additionally, the gross median rent in Seattle (rent plus utilities) increased by 11% between 2010 and 2013, which is the sharpest increase for any large U.S. city (Balk, 2014). Despite current strategies such as incentive programs for incorporating affordable housing into new developments, the increase in housing units in new developments cannot keep up with the affordability demand with rent increases.

This is an important time for Seattle to address the issue of housing affordability, and the local government has already taken measures toward it. Seattle Mayor Ed Murray has publicly recognized the importance of affordable housing by developing a Housing Affordability and Livability Agenda led by an advisory committee of 28 stakeholders. This committee is made up of nonprofit organizations, for-profit developers, renters, homeowners, and local housing experts (Office of the Mayor, 2015). These 28 members have divided into smaller work groups to work on more specific issues such as sustainable homeownership and housing financing (Office of

the Mayor, 2015). At the end of June 2015, we will hear about their policy recommendations on pressing topics like the Seattle Housing Levy, tenant protections, municipal bonds, and possible requirements for developers to build affordable units through “linkage fees” (Beekman, 2015). The City government understands the complexity of affordable housing issues and the necessity of multiple solutions to address these different aspects. This is particularly an important time for creative tools, policies, and programs to be proposed.

### *A Possible Tool: Utilizing Historic Buildings for Affordable Housing*

Solutions like development incentives and density bonus programs have greatly focused on how to bring new residential development in Seattle, while the historic property stock in Seattle stands as a rich resource for the affordable housing sector that deserves further exploration. Rehabilitation of older and historic buildings for affordable housing can have great benefits, as older and historic properties tend to have greater proximity to urban hubs, jobs, shopping, and public transportation, which are all valuable resources for low- and moderate-wage earners (Rypkema, 2002). Rehabilitation of an older building could be more cost-efficient than creating a new one and can save the developer time and money that would have been spent obtaining permits, approvals, and development review for new construction (Tyler et al., 2009). There is a valuable link between affordable housing and historic preservation, and I explored this link through this thesis using examples of projects in Seattle where these two goals have met to varying degrees.

Planners are tasked with shaping growth and development and creating innovative strategies to address the lack of affordable housing. They are also in the position to take a long-range approach to addressing affordable housing and getting different stakeholders to cooperate. Planning includes and integrates many disciplines, so bringing together the goals of historic preservation and affordable housing can be done through the work of planners.

The current affordable housing supply is not able to meet the demand. Combining new developments with the rehabilitation of old and historic properties would allow the City utilize all

the resources available to create affordable housing units. Working with the “new” and the “old” might benefit low- and moderate-wage workers, and through this work I explore using “the old” as a viable, affordable residential option that could save time, money, environmental, and cultural resources for the benefit of the community.

Through this work I explored the rehabilitation of historic properties for creating affordable housing units in Seattle. This work would provide valuable information to nonprofit organizations, housing developers, and local government entities who want to utilize the historic building stock for the purposes of affordable housing. Through this work I look at cases of affordable housing in historic buildings that have already been successfully completed in Seattle, making this research relevant to those who are already in the development field and are looking at what types of incentives, funding, and other catalysts are necessary to make this work happen more in the future. This traces the decision-making process that occurs after historic designation as stakeholders analyze the possible uses for historic buildings. As such, this information is also relevant to advocates of affordable housing and historic preservation, as I address the ways in which these two goals come together in an efficient and achievable way.

### *Tax Credits: An Important Tool*

The Low-Income Housing Tax Credit program (LIHTC) is one tax credit program that is vital for incentivizing this type of work. The LIHTC program was established by the Tax Reform act of 1986 when Congress made changes to the Internal Revenue Code in order to provide financial incentives to invest in low-income housing (Schwartz, 2014). Tax credits are divided among the states based on population, which means that each state has a limited supply of tax credits to allocate. Over the years these credits have been in higher demand, and the process to obtain them has become more competitive (CohnReznick LLP, 2012). Housing that has been developed and rehabilitated using Low-Income Housing Tax Credits has demonstrated high levels of occupancy, and the tax credit program has been a successful tool for incentivizing the private market to develop or rehabilitate affordable housing units (CohnReznick LLP, 2012). By



2011 the program had helped to fund the development of more than 2.5 million housing units and was responsible for half of the multifamily construction in the year of 2010 (Schwartz, 2014).

The tax credit program allows investors a reduction in their federal income taxes by \$1 for every dollar of credit that they receive (Schwartz, 2014). This is a sizable incentive for creating affordable housing units. The credit lasts for 10 years given that the property remains affordable for 15 years to low-income households (Schwartz, 2014). However, these credits are not automatically given to every qualifying development that provides affordable housing. Credits are often administered by state housing finance agencies so that states can meet their individual housing needs under federal guidelines (Enterprise Community Investment, Inc., 2015). The credits are awarded depending on the cost of the development, the location in certain qualifying census tracts, and the percentage of affordable units in the development (Schwartz, 2014). These qualifications help to incentivize developers to pursue projects with a higher percentage of affordable units to get a higher tax credit, and they can even choose to develop a project that is entirely affordable housing. Developers building new construction or conducting a substantial rehabilitation can apply for 9% tax credit, or if they are acquiring an existing building or utilizing tax-exempt bonds to finance the project they would automatically take the 4% tax credit (Enterprise Community Investment, Inc., 2015). This tool is powerful for incentivizing the production of affordable units, and its applications toward rehabilitation efforts make it useful for utilizing historic properties as well.

Another tax credit program that is vital to this work is the Historic Rehabilitation Tax Credit program, administered by the National Park Service (NPS) with the Internal Revenue Service (IRS) and in partnership with State Historic Preservation Offices (SHPO). The tax credit that is relevant to this type of work is the 20% tax credit for the certified rehabilitation of certified historic structures (Technical Preservation Services, 2012). These tax credits apply to the substantial rehabilitation of buildings whose value will depreciate over time, and it can only apply to buildings listed on the National Register of Historic Places or a contributing building in a registered historic district (Technical Preservation Services, 2012). This sets limitations on which

buildings are eligible, as the tax credit only applies to buildings whose historical significance has already been widely recognized and whose historic integrity is intact. Applicants can obtain a preliminary determination of significance from the National Park Service to apply for the credits, but the determination does not become final until the building is included on the National Register or listed as a contributing building in an historic district (Technical Preservation Services, 2012). This can provide a challenge with structures that are not seen to retain historic integrity, do not fit the proper time period or have endured fires, structural additions, and improper care.

In order to obtain the tax credit, the project must follow particular standards set by the Secretary of the Interior. The project must be a certified rehabilitation that is consistent with the historic character of the property or the historic district where the property stands (Technical Preservation Services, 2012). In order to adhere to these standards, property owners can seek guidance and technical assistance from the State Historic Preservation Offices to ensure that they are going through the proper care and consideration for the rehabilitation. The National Park Service then reviews the project to see if it complies with the “Secretary of the Interior’s Standards for Rehabilitation” (Technical Preservation Services, 2012). The National Park Service then certifies the rehabilitation project, but the tax credit is not applied until after the rehabilitation has been completed. The National Park Service has to review the project once it has been completed to review how well it matches the proposed rehabilitation and to determine whether the standards were met before granting the 20% tax credit (Technical Preservation Services, 2012). This could indicate that projects that go through with the rehabilitation process may not receive tax credits in the end if the project does not meet the strict standards, resulting in the loss of funding. In addition, unapproved alterations done within five years of the rehabilitation and work that does not match the standards for rehabilitation can result in the revoking of the tax credits after they are allocated (Technical Preservation Services, 2012). This means that developers must strictly meet these standards and continue to meet them for years after the rehabilitation work has been completed.

Overall the Historic Rehabilitation Tax Credit program has been successful in

incentivizing the rehabilitation of historic buildings as well as in the production of low-income housing units. An annual report from the U.S. Department of the Interior (2015) states that \$73 billion of historic preservation activity has been completed using the tax credit program since its inception in 1976. This program has clearly made an impact on the way that historic buildings are valued and utilized, and it has been a good incentive for getting the private market to participation in rehabilitation. This report also states that the program is still thriving, as 1,156 proposed tax credit projects were approved in just the fiscal year of 2014 (Department of the Interior, 2015). This tax credit program has also made great contributions to the production of low-income housing units as well. In 2014, the tax credit program set a new record of producing 6,540 new low- and moderate-income housing units, and overall in the tax credit program's 38-year history it has helped to create 137,978 low and moderate income housing units across the United States (Department of the Interior, 2015). This program has achieved great success in not only preserving historic structures but also in providing housing for those who cannot afford to stay in market-rate housing, which is becoming increasingly expensive in many major cities.

These two tax credit programs are vital in pursuing historic structures for the construction of affordable housing units. Developers can take advantage of the two tax credit programs and combine the benefits of each in order to put the two goals of historic preservation and affordable housing together. These incentives are competitive, and the standards that developers must meet in order to obtain them are not easily achieved. Merging the two incentives requires knowledge of both historic preservation standards and low-income housing development. However, developers who are creative and competent can potentially make a large profit from this type of work and benefit their communities in multiple ways.

## The Costs and Benefits of Historic Properties in Affordable Housing

Using historic properties for creating affordable housing units is not a novel idea. This has been conducted in many cities as a way of accomplishing multiple urban planning goals such as revitalizing older central business districts, preventing displacement, and, of course, preserving

historic structures. Many cities struggle with being able to provide affordable housing units for their low- and moderate-income residents, and this is one of many ways that cities have been able to do so.

Several writers discuss the benefits of addressing the housing affordability crisis through the rehabilitation of older buildings. Rypkema (2002) found that historic properties tended to have closer proximity to amenities such as work, elementary schools, shopping, and public transportation than newer developments. This could be due to their location in centralized areas of cities in older business districts. Ceraso (1999) makes the case that historic rehabilitation projects are “much more situated for mixed-income housing” in that “the kind of apartments [that are] created are so superior that they’re attractive to people of a variety of incomes.” Many cities are moving toward mixed income development as a remedy for the historic segregation of lower-income individuals in the urban setting. In a literature review conducted by Levy et al. (2010) lower income families in mixed-income developments have reported greater satisfaction with housing and neighborhood services and amenities as well as higher levels of safety. Studies in this review also report better outcomes in terms of health, education, and employment for lower income families. Due to their prime location, historic properties can take the stage in creating more mixed-income buildings and communities and providing affordable housing units. However, the fact that the historic character becomes attractive to people of different incomes makes it more challenging for housing providers to ensure that the affordable units are available to lower income brackets. For instance, in 2014 both London, UK and Chicago experienced an increase in the use of historic buildings, but most of them are becoming luxury apartments and boutique hotels (Bloomfield, 2014; Curbed, 2014). Developers looking to make a large profit have pursued these buildings because the historic character has added a premium on their value. Developers pursuing historic buildings for affordable housing need to be deliberate about the population that they are trying to serve with these types of projects to make them truly affordable and available to create a mixed-income community.

Stern & Seifert (2007) argue for a less tangible yet equally important aspect of

preserving history and affordability: the “natural” cultural district. This is described as “a neighborhood that has spawned a density of assets—organizations, businesses, participants, and artists—that sets it apart from other neighborhoods” (1). They argue that beyond the historic buildings, the culture and the people who share that culture also need to be preserved because they naturally foster cultural production and have other positive spillover effects for the rest of the community. These natural cultural districts have the community networks in place to foster participation that helps communities to thrive. This creates an argument for maintaining affordability in these natural cultural districts. Stern & Seifert (2007) claim that “pov-prof” communities (communities with high levels of poverty and professionals) are associated with high levels of cultural resources and community participation. Encouraging mixed-income communities can help maintain these natural cultural districts. Stern & Seifert (2007) also argue that the artists that typically help to cultivate these districts are consistently getting priced out of these neighborhoods. The revitalization efforts of local governments have made these natural cultural districts attractive, which can lead to gentrification and displacement of lower income residents. Thus, we need to learn how to carefully cultivate and sustain natural cultural districts without also creating class walls (Stern & Seifert, 2007). A great way to do this is to utilize historic buildings to create affordable housing so that people of all incomes and backgrounds can benefit from a strong sense of history and culture.

Many writers also argue that financially, historic rehabilitation is a competitive alternative to creating new development. This is supported by Tyler et al. (2009) who argue that “rehabilitation often saves a developer time and money by bypassing a lengthy development review process, local neighborhood opposition, and regulatory approval delays” (240). In addition to having great benefits for low- and moderate-income residents, rehabilitation of older properties can have great financial and time investment benefits for developers and architects who work on these projects. These writers also highlight the use of tax credits as both Rypkema (2002) and Ceraso (1999) reference the Historic Rehabilitation Tax Credit as essential to conducting this type of work. The National Park Service Technical Preservation Services (2012) claim that “The

Federal Historic Preservation Tax Incentives program is one of the Federal government's most successful and cost-effective community revitalization programs" (2). Using these tax programs for rehabilitation can also have added benefits such as enhancing property values, generating jobs, and increasing revenue for state and local governments.

According to Listokin & Listokin (2001) there are other tangible benefits for historic rehabilitation, including neighborhood revitalization and the advancement of retrofitting construction skills and materials such as lead paint abatement. However, Listokin & Listokin (2001) also note that sometimes historic preservation controls and regulations can increase housing costs due to the cost of replacing original building elements. For instance, in Trenton, New Jersey a nonprofit organization attempting to rehabilitate row houses wanted to add cheaper vinyl windows but was required to install wooden sash and frame windows to reflect the historic character of the houses, adding an additional \$2,100 cost per house (Listokin & Listokin, 2001). This cost increase could potentially price some families out of housing units, as the cost for these elements may be reflected in the rents that housing providers subsequently charge. Additionally, special design review can also delay a project and therefore delay the production of affordable housing. Thus, consideration of these aspects is necessary in order for this work to produce affordable housing units effectively and equitably.

In Iowa, rehabilitation projects such as the Van Allen Apartments of Clinton demonstrate that the combination of the Federal Historic Rehabilitation Tax Credit and the Low-Income Housing Tax Credit is vital for success. In this project, the Van Allen & Son Department store was rehabilitated to create 17 1- and 2-bedroom apartments on the upper floors of the store (National Park Service, 2006). In addition to the Historic Rehabilitation and Low-Income Housing Tax Credit programs, the state of Iowa also has a State Historic Preservation Tax Incentive Program that developers utilize for these rehabilitation projects (National Park Service, 2006). In the case of the Van Allen Apartments the combination of these tax credit programs accounted for 57% of the total development costs (National Park Service, 2006). Iowa projects have utilized a variety of types of buildings as well as a combination of different types

of funding. Deciding on the location for these projects is based on the demand in the housing market, and here the local officials search for suitable historic properties and reserve them for the Community Housing Initiatives (CHI), a statewide nonprofit housing developer (National Park Service, 2006). Officials offer these properties to CHI at low or no acquisition cost, streamlining the process of acquisition and rehabilitation (National Park Service, 2006). In the case of Iowa, the combined efforts of local officials, nonprofits, and special tax programs allow for the successful rehabilitation of historic properties for affordable housing.

The Lyndon Musolf Manor apartments in Portland, Oregon is another case where the combination of Federal Historic Rehabilitation Tax Credits and the Low-Income Housing Tax Credits help make a project feasible. Musolf Manor was built in 1910 as the Foster Hotel which served as housing for the working class (Walsh Group, 2015). In 2009 the nonprofit organization Innovative Housing, Inc renovated the property and created 95 studio apartments for very low-income singles (Innovative Housing, Inc., 2014). This rehabilitation required the combination of the two tax credit programs as well as tax increment financing from the Portland Development Commission and Weatherization and Housing Trust Fund grants from Oregon's Department of Housing and Community Services (Innovative Housing, Inc., 2014). These funding sources are vital for nonprofit organizations like Innovative Housing, Inc to provide housing for their target populations.

## Seattle, Washington Incentives

Many states like Iowa have their own special incentives for historic preservation, and Washington is no exception. The Washington State Legislature passed a law in 1985 that allowed for rehabilitated historic properties to undergo a "special valuation" (Seattle Department of Neighborhoods, 2011). This law prevents the increase in property taxes based on improvements on historic structures for up to 10 years, meaning that the property would continue to be valued as if the improvements had never occurred (Department of Neighborhoods, 2011). This is a significant incentive to rehabilitate a building rather than to tear it down and replace it

with new construction.

In Seattle, many other incentives are available that promote the preservation of historic structures such as zoning code relief, building code relief, and the transfer of development rights. Zoning code relief consists of an authorization by the Director of the Department of Planning and Development to permit a use that does not follow the zoning code (Department of Neighborhoods, 2011). This allows more flexibility in the adaptive reuse potential of historic buildings so that structures like old warehouses and office buildings can be converted into mixed-use multifamily apartment buildings. In addition to different uses, zoning code relief for historic properties can also consist of modified standards for open space, setbacks, and landscaping (Department of Neighborhoods, 2011). These modifications to the codes can help developers work with historic buildings more easily than with new construction. Like zoning code relief, building code relief consists of a modification of requirements. The DPD Director has the discretion to modify code requirements of the Seattle Building Code for historic buildings (Department of Neighborhoods, 2011). These modifications are still within reason to ensure the safety of the building occupants and the public, but they allow for the alteration of more strict requirements.

The transfer of development rights (TDR) program is available in the downtown, South Lake Union, and multifamily zones. This TDR program allows developers to sell unused development potential from parcels to other developers in the downtown area so that those developers can build more floor area than normally permitted (Department of Neighborhoods, 2011). This program incentivizes historic preservation in that it makes development profitable in these areas without having to demolish historic structures. In 2006, the Downtown Code was further amended to promote the preservation of landmark structures. This change ruled that the development rights of landmark structures would be worth more extra floor area, allowing owners of landmark structures to sell their development rights for a higher price than other downtown structures (Department of Neighborhoods, 2011). In addition, converting landmark structures into affordable housing make the development rights worth even more bonus floor area. Variations of



these downtown TDR programs are also in South Lake Union and other multifamily zones.

Seattle also has local incentives that promote the construction of affordable housing units, and these incentives combined with historic preservation incentives can create an attractive financial package for developers. These methods help to create mixed-income buildings and increase the supply of housing for low- and moderate-income households (Seattle Office of Housing, 2015). Some of these incentive programs in place in Seattle are the Multifamily Tax Exemption (MFTE) and density bonuses. These programs allow developers to gain tax exemptions and increased floor-area-ratio beyond the allowed zoning provisions so that they can build taller developments in exchange for producing affordable housing units.

The Multifamily Tax Exemption (MFTE) program encourages developers to create affordable units in multifamily residential properties. The income requirements for the units that are set aside for affordable housing depends on the size of the units that the developer plans to build (Seattle Office of Housing, 2015). The smaller the units, the lower the income bracket that those units must serve. There are other requirements that are more stringent for this program for the rehabilitation of current structures. Occupied buildings undergoing rehabilitation must not displace current residents, rehabilitation must result in the addition of at least 4 new housing units, and vacant buildings must be vacant for 12 months prior to the application for the exemption (Seattle Office of Housing, 2015). This ensures that the main goal of these developments is to provide housing units, particularly affordable housing units.

In the multifamily tax exemption (MFTE) program, some of the goals involve historic preservation principles, as two of the goals state that the program is intended to “stimulate the construction of new multifamily buildings, and the rehabilitation of vacant or underutilized buildings” as well as to “preserve and protect buildings of historic and cultural significance” (Seattle Office of Housing, 2015). To qualify for the MFTE program, the development must also be located within 39 designated target areas, and these include most of the historic landmark districts as well (Seattle Office of Housing, 2015).

These incentive programs help to capture some of the rapid pace of residential development

that is occurring in Seattle to include affordable housing in this growth. 29,330 net new housing units were added in the city of Seattle from 2005 to 2012, creating 62% of the city's growth target of 47,000 additional households between 2005 and 2024 (Seattle Department of Planning and Development, 2013). Seattle is growing rapidly and has growth targets to achieve, and these incentive programs allow for low- and moderate-income households to benefit from this growth. These incentive programs allow Seattle to grow in density and in population while still being able to provide housing for a variety of incomes. As affordability pressures increase, more innovative solutions such as these incentive programs are necessary to prevent displacement from the city.

## Doing This Work in Seattle

With the different combinations of incentives in place in Seattle, there are many opportunities for developers to benefit from the utilization of historic buildings for the purpose of creating affordable housing, as long as the project complies with design and affordability standards.

Seattle has 8 designated historic districts (see Appendix for a map of Seattle's historic districts), over 450 locally designated landmarks, and over 180 sites listed on the National Register of Historic Places (Seattle Department of Neighborhoods, 2015; National Park Service, 2014). Of these 450 locally designated landmarks, around 110 of these are residential buildings. The list of local landmarks increases as more designations and nominations occur each year. This long list of potential properties and contributing buildings in historic districts opens up possibilities for adaptive reuse for affordable housing. In Seattle, buildings must be at least 25 years old, which is younger than other cities that require a building to be 50 years or older to be considered historic. This raises the potential for more properties to be eligible for historic designation over time and more opportunities for creative adaptive reuse strategies.

With the rate of development that Seattle is experiencing as well as the growth targets that the city intends to achieve, this type of work is vital, and the conditions are already in place.

However, one needs to look at the larger picture of who is actually using these incentives and who is not. There may be other forces that allow for this work to actually occur, creating a larger picture of how affordable housing is created in Seattle. Other factors involved in these developments include community activism, special federal and local funding opportunities, nonprofit organizations dedicated to equitable development, and different sets of missions and values statements that may drive particular projects. Identifying the impact of incentive programs as well as these other factors can help facilitate this work further.

## Research Design

I began developing my research design by identifying the problem as the lack of affordable housing in Seattle with a specific question of: How have historic properties been used to address the affordable housing needs of Seattle through adaptive reuse? This question has two sub-questions: How can we identify appropriate historic buildings for affordable housing? and What forces drive this type of work? In answering these questions, I began by identifying the appropriate characteristics of the buildings and neighborhoods of projects that have already been successful. I gathered a listing of historic properties in Seattle from the National Register of Historic Places and the Seattle Department of Neighborhoods that have been converted to affordable units.

My initial intention with my research design was to develop a building typology of historic buildings that have been retrofitted for affordable housing utilizing King County Assessor data and historic property information from the City of Seattle. However, as I further explored this topic I decided to instead identify trends in building characteristics as part of a larger story of how and why developers and nonprofit organizations decided to pursue these projects. Tax credit programs and preservation policies are two important factors in utilizing historic buildings for affordable housing, and a quantitative approach would not give me the information I would need about these aspects of development. Thus, a mixed methods approach was necessary to

develop a more comprehensive perspective of this work. I decided to reach out to stakeholders that were involved in these developments to discuss how and why they decided to pursue certain buildings and what opportunities were available for them to complete these projects. I used open-ended interviews to answer my second question about the forces that drive this type of work and to build a story behind these developments in Seattle. I looked to developers, nonprofit organizations, and architecture firms to provide me with further information. Using these case examples and talking to key players provided me with a rich context for this thesis that I would not have been able to obtain simply from existing literature and more quantitative data collection. In order to form this larger picture, I have paired a qualitative approach with more quantitative data.

The strength of using mixed methods is to go deeper into the subject matter and find evidence and information that may not be publicly available. These key actors are a good resource for finding out how these more theoretical concepts actually play out in a real life setting and what the limitations are in creating these affordable housing projects. A weakness with this approach is that evidence gained from different players would not necessarily be measurable or comparable. In addition, obtaining complete information could be difficult as organizations that do this type of work may not be willing to share what allowed them to create affordable units for fear of being perceived as self-interested due to the financial incentives involved in this work.

In focusing on historic properties, I understood that this is one piece of a larger puzzle of housing affordability and community building. Any planning decisions like these have redistributive effects on resources. Encouraging more adaptive reuse could take away resources from other new developments that are working toward affordable housing. Policymakers could focus resources on buildings already in existence, which could take away resources from brand new development that developers and architects could have used. Thus, it is important to note that using historic properties in this way is one of many of the tools that Seattle can utilize in addressing the affordability issue.

Through my mixed methods research design, I analyzed a process that is already taking

place and needs to be further examined to see the potential for expanding this action. I hope to be able to provide readers with insight into the affordable housing and historic preservation practices that are currently taking place in Seattle. I am using examples of work that are already done to see the type of buildings that are being used and the organizations that are producing these affordable units. Doing this type of study could help to assess how the affordable housing sector can move forward. From here policymakers can use this information to encourage more of these types of developments to occur and identifying the key stakeholders and programs involved in this type of work. I intended to take a closer look into this practice to see where policies and programs can improve to create more opportunities in the future for this practice to take place. This practice has great benefits for developers, historic preservation advocates, and residents, and its increased usage could create more equitable outcomes for Seattle.

I am using this thesis to expand on the city's potential to grow equitably and effectively through the use of old and historic buildings. The tax credits are available, some developers are actively doing this type of work, and many of these projects have been successful in providing affordable housing. However, more of this type of work needs to be completed in the face of gentrification and rising rents in Seattle. Through this work I intended to find more information about the success of some strategies that are already in place, which can help give clues about where the housing sector should focus its efforts. This can be in the form of creating more tax incentives, developing policies, funding more nonprofit work, or any other option that would be based upon projects that have already been completed.

## Methodology

The first step in my methodology was to identify the building stock in Seattle that has been utilized for affordable housing. I used a snowball technique to identify these buildings, consulting sources such as 4Culture and Historic Seattle as well as the Housing Development Consortium of Seattle-King County to get a listing of notable affordable housing nonprofit organizations, architects, and developers in the Seattle area. A consultant at 4Culture identified

some notable examples of these types of buildings such as the Frye Hotel, the Morrison Hotel, and the Josephinum Hotel. Although there is no comprehensive listing of historic buildings that have been used for affordable housing, this consultant was also able to refer me to architecture firms and nonprofit organizations who have previously participated in this type of work as well. Each subsequent source of information was able to refer me to the next, allowing me to build up a comprehensive listing of well-known affordable housing projects in Seattle that utilized historic buildings. I cross-referenced my listing with listings of historic buildings and historic districts from the National Register of Historic Places and the Seattle Department of Neighborhoods landmarks list. In addition, I also found listings of properties that have utilized the Low-Income Housing Tax Credit program so that I could analyze which of those buildings are also historic buildings. Lastly, I then checked that listing with data from the Puget Sound Regional Council on an inventory of affordable buildings.

My definition of “affordable housing” for these purposes was any building that served an income bracket that was less than the Area Median Income (AMI). This meant that I would include buildings that served anywhere from formerly homeless populations (0%-30% AMI) to the workforce population (60%-100% AMI). This definition was kept broad to account for the use of Low Income Housing Tax Credits (LIHTC) that are targeted at specific income brackets like 50%-60% AMI as well as the use of old residential hotels that contain single room occupancy units that are ideal for targeting formerly homeless populations.

I then cross-referenced the names and addresses of these buildings with the listing of Seattle Historic Landmarks through the Seattle Department of Neighborhoods to identify which of these buildings have been officially recognized as historic properties by the City of Seattle (Department of Neighborhoods, 2015). In addition, I accounted for the presence of contributing buildings that existed in historic districts that were also designated by the City of Seattle. I used the Historic Resources Survey Database from the Seattle Department of Neighborhoods as well as the National Register of Historic Places designation forms to find which of these have actually been identified as contributing and noncontributing buildings in Seattle historic districts (Department

of Neighborhoods, 2015). Once I cross-referenced these two types of resources of official city documents with my own resources and consultants I was able to develop a comprehensive listing of these buildings. I identified a total of 27 buildings within the Seattle city limits that fit this description.

Once I had identified the historic buildings utilized for affordable housing, I was then tasked with two pieces that I approached with different methods: the building characteristics and the story behind their rehabilitation and current use. I utilized quantitative and qualitative research methods in this study due to the complexity of the subject matter. Quantitative methods allowed me to answer the question: what is the current stock of historic buildings that have been rehabilitated for affordable housing in Seattle? I utilized data from the King County Assessor's Parcel Viewer tool (2015) to get building characteristics to look for patterns in square footage, the year of construction, construction type, neighborhood location, height, zoning, and whether the building was mixed-use. This helped me to get a sense of what developers and organizations are considering in rehabilitating historic buildings for affordable housing.

Qualitative methods allowed me to develop a story behind this type of development to find out how and why these buildings were chosen to be rehabilitated and preserved. In order to gain this insight, I consulted professionals in the fields of affordable housing development, architecture, design, and property management. I conducted open-ended interviews with those key players who have previously participated in this type of work or who are currently involved in doing this type of rehabilitation. These key players helped me to identify some of the strengths as well as the challenges with this type of work, which helped to provide context for the buildings that I had identified and to look at the implications for adding more properties in the future. I opted for open-ended interviews for this portion of my study due to the fact that these key players were involved in very different aspects of this type of development, including site selection, design, construction, and management. I chose not to adhere to a strict list of ordered questions because each of these stakeholders had a different role in affordable housing rehabilitation; therefore, some topics were more relevant to certain interviewees than others. Thus, I developed a list of

general topics that I intended to discuss with each interviewee while still allowing them to provide any additional information that would help clarify why and how they rehabilitated these buildings.

These topics are as follows:

1. Policies currently in place that allow historic rehabilitation for affordable housing to occur
2. Funding opportunities available that help this work continue and their effectiveness
3. Community involvement in rehabilitation and historic preservation efforts
4. Effort to capture the memory of the building's previous use
5. Ways that this work could be improved, streamlined, or encouraged in the future

These topics helped to provide guidelines for the interview in soliciting answers to how and why these developments have occurred in Seattle's past and to get an idea of what these stakeholders see as potential for future development in this area. However, in conducting these interviews I intentionally allowed some flexibility in the topics that I would cover in order to get additional relevant and valuable information. For instance, if the interviewee wanted to discuss the management difficulties with affordable housing in historic properties or discuss their agency's mission in addition to the topics listed above, I allowed these additional discussions to occur as part of the process in developing a larger story.

Through this mixed-methods approach, I was able to not only develop a description of what this type of development looks like but also address the processes on how these rehabilitation projects occur and the implications for the future. This approach was effective in providing context and history behind the buildings and processes to move further than just building descriptions. These buildings do not exist in isolation and are part of a larger neighborhood and community. 15 out of the 27 buildings I identified were contributing buildings to historic districts in Seattle, so they play a role in maintaining the unique and historic character of various Seattle neighborhoods. For instance, the International District still serves as a diverse community of local Asian American businesses and community-based organizations, while Pioneer Square serves as a reminder of Seattle's original downtown (Seattle Department of Neighborhoods, 2015). This



history is reflected in the buildings and in the people that continue to live and work in them. Thus, obtaining these stories and insights from the agencies that utilize and manage these buildings is important for acknowledging the real world context of this work.

## Findings: Building Analysis

Through my quantitative data search with the King County Assessor, the Washington State Housing Finance Commission, the Department of Neighborhoods Historic Resources Survey, and National Register nomination documents, I was able to recognize some patterns in the characteristics of historic building that are rehabilitated for affordable housing. Table 1 displays these findings and the amount of the building stock that fit in particular characteristics. Table 2 contains a table of the more comprehensive list of all the building traits.

### **Building Use**

14 of these 27 buildings were previously residential hotels; however, some had other uses as well. While 52% of the buildings were identified as former residential hotels, 22% were previously used for residences and 18.5% were used for naval purposes, specifically the buildings that were previously part of the Sand Point Naval Air Station (Figure 1). 1 of the 27 buildings had actually been converted from office use (the Lyon Building) and 1 was previously used as an elementary school (Cooper Artist Housing). The historic building stock used for affordable housing comes from a wide range of previous uses, but the hotel use is predominant among them. The layout of residential hotels could make them easy to convert to low-income units due to the fact that they are already the correct layout and contain the necessary utility infrastructure for residence. These hotels were common, and their historic context is referenced in many of the designation forms for these buildings:

“During a period of rapid growth after the Great Fire of 1889, many hostelries were erected to accommodate both the carriage trade and the transient seaman, laborers, and fortune seekers on their way to the Alaskan gold fields” (Landmarks Preservation Board, 1994, 4).

“By 1910 Seattle boasted 475 hotels, reportedly providing more accommodations than any city of the same size in the country” (Landmarks Preservation Board, 1994, 4).

52% of the identified buildings are also mixed-use, and 59% of the buildings exist in zones that are designated for mixed-use. Having this mixed-use component of this type of affordable housing stock can be useful in creating projects that can be more financially stable, allowing the rent from the first floor retail space to help cover some of the costs of maintaining the housing units above. The majority of these mixed-use buildings are in the Downtown, International District/Chinatown, and Pioneer Square zones (Figure 3) that already contain a large amount of Seattle’s mixed-use building stock (See Appendix for a map of the neighborhood distribution). This is not surprising because these zones contribute to Seattle’s central business district, which has historically contained mixed-use buildings. Particularly before 1986 when changes in government regulation of land use controls adapted to accommodate for more mixed-use development (DeLisle, 2011), most of Seattle’s mixed-use building stock was concentrated in the central business district.

### **Age**

The oldest building was built in 1891 and the newest one was built in 1944. The average year of construction for these 27 historic buildings was 1915, demonstrating that many of these buildings were built closer to the turn of the century, which for Seattle was a period of growth and prosperity due to the Klondike Gold Rush (Seattle Department of Neighborhoods, 2015). Many of these buildings were originally designed as residential hotels that would serve workers as well as the large influx of tourists and visitors that came with Seattle’s early prosperity.

### **Size**

The average net square footage of the buildings was about 43,000 square feet and at an average height of 5 stories tall. This signifies that the typical building used for this type of development is mid-rise with a fair amount of space for several units. With 37% of the developments containing reinforced concrete, these buildings were built to last many years (Figure 2). The av-

average number of units in these 27 developments was 62, a significant number in terms of providing affordable housing in a market that is experiencing a shortage of housing for lower incomes.

### Rehabilitation

21 out of 27 of these buildings were rehabilitated in the 1990s and 2000s, which coincides with the advent of the Low Income Housing Tax Credit in 1986 (Figure 4). This tax credit proves to be an important tool for this particular type of work, as 16 out of the 27 affordable housing developments have utilized this tax credit for rehabilitation purposes (Washington State Housing Finance Commission, 2014).

Table 1: *Building Traits of Affordable and Historic Buildings*

Average Year of Construction	1915
Building Quality	Majority “average”
Average Net Square Footage	43,391 sq. ft
Mixed-Use	52%
Average Height	5 stories
Average # of Units	62
Zoning	“Mixed”: 59%

Figure 1: Previous Use of Buildings

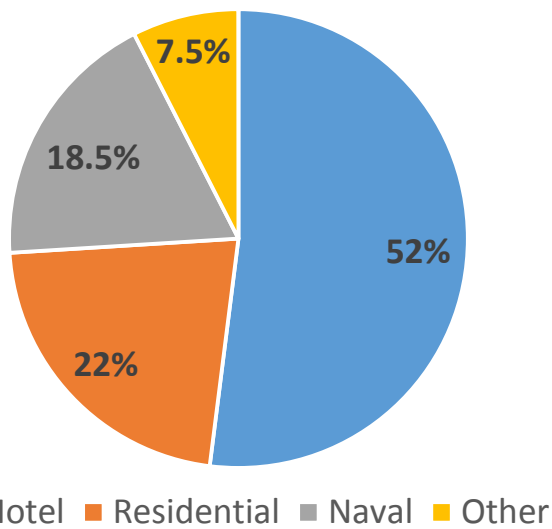
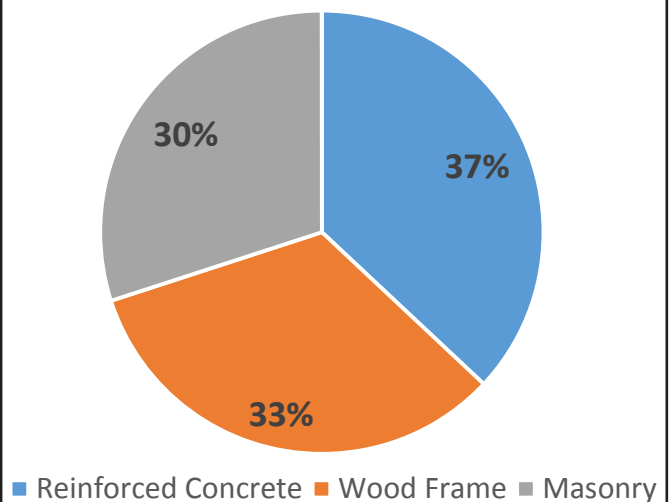


Figure 2: Construction Method of Buildings



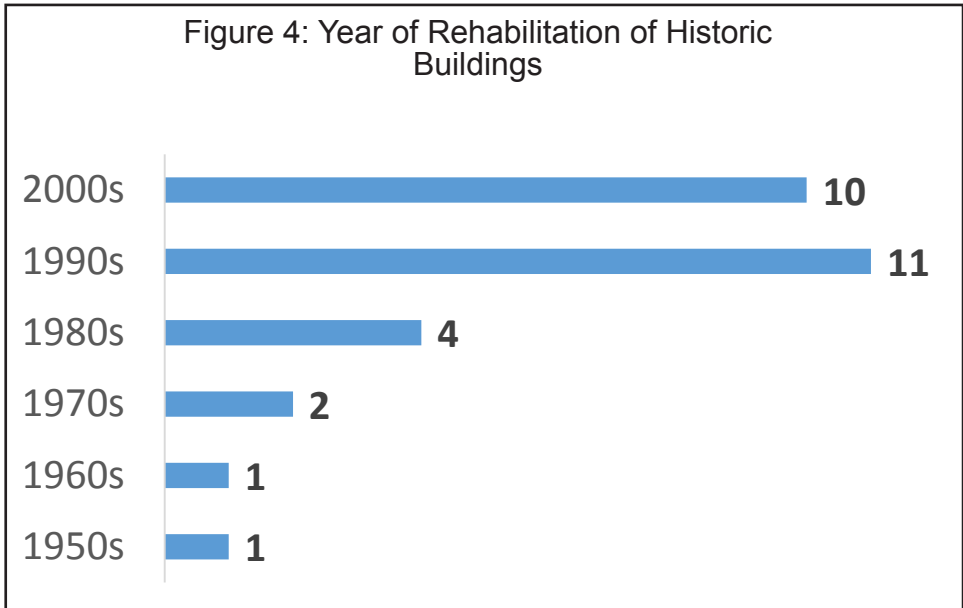
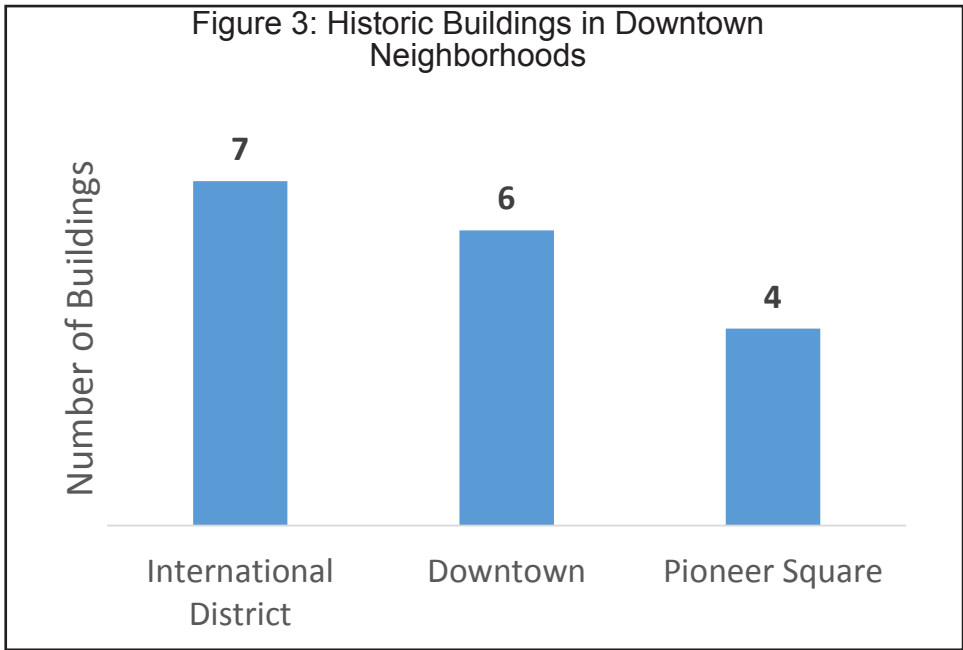


Table 2: Complete Building Characteristics

Property Name	Year Built	Renovation	Neighborhood	Construction Type	Building Quality	Previous Use	Mixed Use	Stories	Net Sq ft
Frye Hotel	1908	1970/1997	Pioneer	Reinforced Concrete	Average	Hotel	Yes	11	141,500
Julie Apartments	1929	2000	Downtown	Reinforced Concrete	Average	Hotel	Yes	5	24,242
Eastern Hotel	1909	1996	International	Masonry	Average/Good	Hotel	Yes	4	30,226
Morrison Hotel	1908	1981/2006	Pioneer	Masonry	Average	Hotel	No	7	127,962
Brettler Family Place	1938	2000	Sand Point	Reinforced Concrete		Naval	No	2.5	
Santos Place	1944	2000	Sand Point	Wood Frame		Naval	No	3	
Youth Care Passages House	1939	2000	Sand Point	Wood Frame		Naval	No	2	
Youth Care Passages House	1939	2000	Sand Point	Wood Frame		Naval	No	2	
Friends of Youth Harmony	1939	2000	Sand Point	Wood Frame		Naval	No	2	
Columbia Hotel	1901	1998	Columbia	Wood Frame	Average	Hotel	Yes	3	7,890
Jensen Block Apartments	1908	1998	S Lake Union	Wood Frame	Low Cost	Residential	Yes	3	20,066
St. Charles Apartments	1911	2004	Downtown	Masonry	Average	Hotel	Yes	6	14,908
Pacific Apartments	1916	1995	Downtown	Reinforced Concrete	Average	Hotel	No	3	26,240
Seneca YWCA	1913	1950s	Downtown	Reinforced Concrete	Average	Residential	Yes	9	94,038
Belboy apartments	1901	1992	First Hill	Wood Frame	Low/Average	Residential	No	3	5,049
Josephinum/ New Washington	1903	1963/1991	Downtown	Reinforced Concrete	Average/Good	Hotel	No	14	90,862
Lyon Building	1910	1997	Pioneer	Masonry	Average	Business	Yes	6	53,261
Pantages Apartments	1907	2005	Broadway			Residential	No	2	
Victorian Row Apartments	1891	1993	International	Wood Frame	Low/Average	Residential	No	2	11,254
Olive Tower Apartments	1926	1984	Downtown	Reinforced Concrete	Average	Residential	No	14	34,725
Gee How Oak Tin	1908	1989	International	Masonry	Average	Hotel	Yes	3	7,200
New Central Hotel	1909	1980	International	Wood Frame		Hotel	Yes	3	38,464
Rex Hotel	1909	1979	International	Masonry	Average	Hotel	Yes	4	21,214
Bush Hotel	1915	1981	International	Reinforced Concrete	Unknown	Hotel	Yes	6	75,187
NP Hotel	1914	1994	International	Masonry	Average	Hotel	Yes	6	24,200
Cooper Artist Housing	1917	2006	N Delridge	Reinforced Concrete	Average/Good	School	Yes	4	45,818
Union Hotel	1905	1994	Pioneer	Masonry	Low/Average	Hotel	Yes	4	16,902

## Affordable Housing Stock

The affordable housing inventory within these 27 buildings demonstrates other trends in the types of units provided and the income brackets that these units target. Figure 5 displays the breakdown of these characteristics. Table 3 offers a chart with the income characteristics of all 27 buildings. Most of the buildings offer single room occupancy units, studio apartments, and 1-bedroom units, demonstrating that these developments were designed to target single low-income adult residents without large families. This trait relates to the large number of historic buildings that have a previous use as a residential or leisure hotel. The hotels designed for workers typically contained Single Room Occupancy (SRO) units, particularly those in the Chinatown/International District (U.S Department of the Interior, 1986). Apartments in other parts of the city were also designed as “efficiency” or “housekeeping” units designed for the working class and lower income residents (Landmarks Preservation Board, 1995). These smaller units translate well into the affordable housing stock that is needed today. Because low income housing providers seek to serve as many residents as possible, having smaller units means more use of the building’s square footage.

Figure 5: Income Targets of Affordable & Historic Buildings

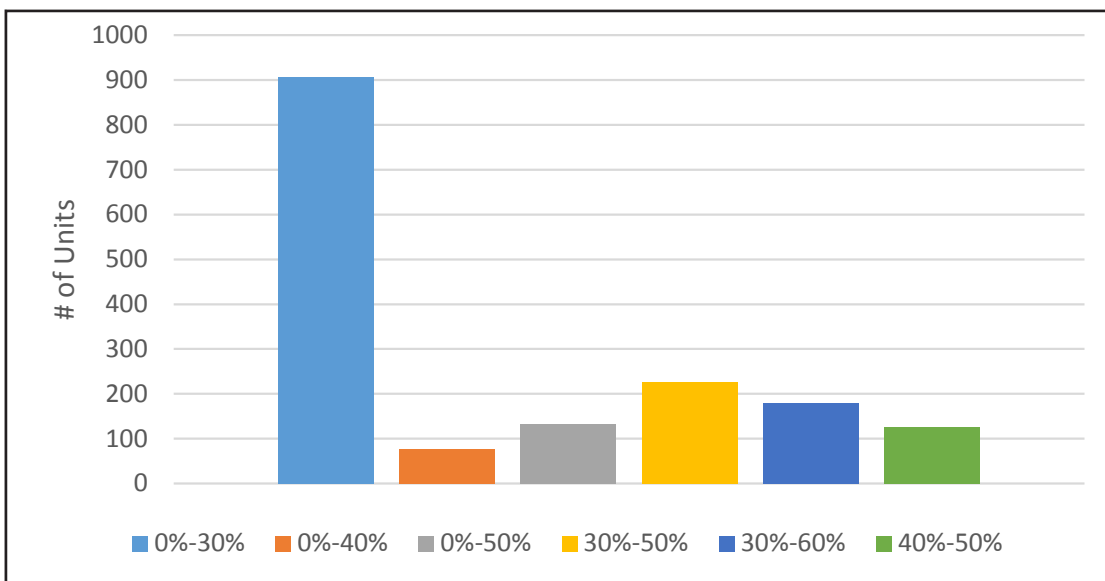


Table 3: *Income Targets and Unit Size*

Property Name	Year Built	Units	Rooms	AMI Target	Credits/Exemptions
Frye Hotel	1908	234	Studio/1 bdrm	0%-30% (186)/60% (48)	LIHTC, NPS Tax Credit, Section 8
Julie Apartments	1929	47	Studio	0%-30% (24)/50% (23)	LIHTC & NPS Tax Credits
Eastern Hotel	1909	47	Studio/1/2/4 bdrm	0%-30% (15)/40%-50% (31)	LIHTC
Morrison Hotel	1908	190	Studio	0%-30% (95)/30%-60% (95)	LIHTC
Brettler Family Place	1938	51	2/3/4 bdrm	30%-60%	LIHTC
Santos Place	1944	42	Studio	0%-30%	LIHTC
Youth Care Passages House	1939	8		0%-30%	
Youth Care Passages House	1939	10		0%-30%	
Friends of Youth Harmony	1939	6	SRO	0%-30%	
Columbia Hotel	1901	8	Studio/1 bdrm	0%-50%	
Jensen Block Apartments	1908	30	Studio/1 bdrm	0%-40%	LIHTC
St. Charles Apartments	1911	64	Studio/SRO	0%-30%	LIHTC
Pacific Apartments	1916	109	Studio, 1 bdrm	0%-30% (76)/30%-60% (33)	LIHTC, NPS Tax Credit
Seneca YWCA	1913	125	SRO	0%-50%	
Belboy apartments	1901	17	SRO	0%-30% (17)	
Josephinum/New Washington hotel	1903	221	Studio/1 bdrm	0%-30% (112)/30%-50% (80)/30 Market	
Lyon Building	1910	64	Studio/1 bdrm	0%-30% (64)	LIHTC
Pantages Apartments	1907	4	Studio/1/2/3 bdrm	30%-50% (4)	LIHTC
Victorian Row Apartments	1891	13	Studio/1/2/3 bdrm	30%-50% (13)	LIHTC
Olive Tower Apartments	1926	65	Studio/1/2 bdrm	30%-50% (65)	
Gee How Oak Tin	1908	21	SRO	0%-30% (15)/30%-50% (6)	
New Central Hotel	1909	28	1 bdrm	0%-30% (28)	Section 8
Rex Hotel	1909	30	Studio/1 bdrm	0%-30% (6)/40%-50% (24)	
Bush Hotel	1915	95	Studio/1 bdrm	0%-30% (46)/40%-50% (49)	LIHTC
NP Hotel	1914	63	Studio/SRO/1/2 bdrm	0%-30% (40)/40%-50% (22)	LIHTC and NPS Tax credits
Cooper Artist Housing	1917	36	Studio	30%-50% (36)	LIHTC
Union Hotel	1905	52	Studio	0%-30% (52)	LIHTC

These affordable housing developments are primarily targeted at low- and very low- income brackets, demonstrating the utility of historic buildings for the neediest residents. 54% of the overall units provided by these 27 buildings are targeted for very low-income residents (0%-30% AMI), often those who are formerly homeless. In targeting these income brackets, the use of federal historic rehabilitation tax credits and low-income housing tax credits is significant, as developers need these in order to make their projects financially feasible. Particularly in targeting very low-income populations, housing providers do not expect large cash flows due to the low rents they will receive from residents. Thus, it is important to consider the entire financial package that housing developers and providers expect to receive before moving forward with such a project. The use of historic buildings in these projects signifies that in some cases, utilizing an historic building is more financially practical than new construction when serving particular income brackets.

### *Building Examples*

To illustrate these building characteristics, I have selected 7 cases to discuss in further detail. These cases were chosen because they each represent a different neighborhood of Seattle in which historic buildings have been used for affordable housing. Each of these cases demonstrates a unique example of how an historic building was repurposed for affordable units for various income groups ranging from formerly homeless populations to households making 50% or less of the Area Median Income (AMI). These cases also illustrate the importance of multiple funding sources, as none of these rehabilitation projects was successful without an assortment of resources.

### **Columbia Hotel**

The Columbia Hotel is a midrise mixed-use building in the Columbia City Historic Landmark District. It was originally built as a single family home in 1892 but was



converted and expanded into a hotel in 1904 with the first floor serving as a dining room for guests (Seattle Department of Neighborhoods, 2015). It was known as a place where one could get a 25-cent chicken or roast beef dinner and was popular for the more transient populations coming through the area (Seattle Department of Neighborhoods, 2015). In 1998, Southeast Effective Development (SEED) acquired the property from the Seattle Housing Authority and preserved the 8 upper-level housing units as affordable 1-bedroom and studio apartments targeting residents below 50% of the Area Median Income (SEED, 2015). Due to the site's location in an historic district, the rehabilitation of the hotel required that SEED use the Secretary of the Interior's Standards for Rehabilitation and preserved the original historic character of the building. The dining room was converted into what is now Lottie Motts Coffee Shop, and it remains a mixed-use historic development.



Figure 6: Columbia Hotel



Figure 7: Morrison Hotel

### **Morrison Hotel**

The Morrison Hotel is a seven story mixed-use building in the Pioneer Square Historic District. It was originally built in 1908 as the Seward Hotel and the headquarters of the Arctic Club, a social club for veterans of the Klondike Gold Rush (U.S. Department of the Interior, 2005). The hotel contained luxury amenities such as a dining room, a billiard room, and a Chinese tea room,

and the first floor retail space housed various businesses such as a barber, a tavern, and a waffle shop (U.S. Department of the Interior, 2005). The Seattle Housing Authority acquired and rehabilitated the property in 1974 and kept the upper 150 rooms as affordable housing for single adults (Tate, 2014). The Downtown Emergency Service Center (DESC) operated a homeless shelter and supportive services on the first floor until the agency bought the property in 2002. In 2005 DESC renovated the building using Low Income Housing Tax Credits and converted it to 190 studio apartments with 24-hour onsite supportive services that are targeted at low- and very low-income residents (Downtown Emergency Services Center, 2009). This \$28 million renovation project was proposed as an alternative to a city-owned hygiene and service center in a different neighborhood that would have been smaller and more expensive than the Morrison Hotel (Young, 2005) In this instance, utilizing an historic building and maintaining the centralized location of DESC's services were important aspects of this development.

### **Pacific Hotel**

The Pacific Hotel was built in 1916 as the Leamington Hotel and Apartments. This building had separate sections for transient residents and extended stay hotel guests (National Park Service, 1998). After the building had closed in the early 1980s and was going to be sold by the bank, a homeless advocacy group asked Plymouth Housing Group to purchase and



Figure 8: Pacific Hotel

rehabilitate the building. Plymouth Housing Group purchased the building in 1993 for \$2,100,000 (Figure 7). In order to be eligible for the Historic Rehabilitation Tax Credits (National Park Service, 1998), Plymouth had to work with a preservation consultant to prepare a National Register nomination for the building while Plymouth pursued the Low-Income Housing Tax Credit as well. The building received the designation, and Plymouth was able to secure the necessary tax credits (Figure 8). After seismic updates, a new entryway, and several other updates to the

building the Pacific Hotel was able to open again in 1995 (National Park Service, 1998). This renovation helped to create 75 Single Room Occupancy (SRO) units and 33 studio and 1-bedroom apartments for formerly homeless and low-income individuals (National Park Service, 1998).

Figure 9: Floorplan of the Pacific Hotel after Rehabilitation



(National Park Service, 1998)

Figure 10: Project Financing for the Pacific Hotel

<b>PROJECT FINANCING:</b>	
<b>Total Cost of Project</b>	
Acquisition	\$2,113,092
Rehabilitation*	\$6,421,602
Total	\$8,534,694
Total Rehab. Cost per Unit	\$56,828
<i>* Represents total costs - not just qualifying costs</i>	
<b>SOURCES OF FUNDS</b>	
<b>Grants/Subsidies:</b>	
Total amount:	\$0
Sources: No capital funds; however, homeless units receive operating subsidy from HUD's McKinney SRO MOD REHAB program over a 10-year period.	
<b>Debt Financing:</b>	
Total amount:	\$4,878,609
Sources: 1) Washington Mutual Bank (including FHLB interest rate write-down) 2) Washington State Housing Trust Fund 3) City of Seattle Dept. of Housing and Human Services 4) Loan from General Partner	
<b>Equity:</b>	
Total amount:	\$3,656,085
Source:	National Equity Fund
<b>Total:</b>	\$8,534,694

(National Park Service, 1998)

Figure 11: Tax Credit Analysis for the Pacific Hotel

<b>TAX CREDIT ANALYSIS:</b>	
<b>Historic Rehabilitation Tax Credit</b>	
Total development costs	\$8,534,694
Total qualifying expenditures	\$5,925,041
Rehabilitation Tax credit %	x20%
Total Rehabilitation Tax Credit	\$1,185,008
Equity Yield for Rehabilitation Credit	80e
Equity raised from Rehabilitation Credit	\$948,006
<b>Low-Income Housing Tax Credit Analysis</b>	
Total developing costs ( <i>should be the same as above</i> )	\$8,534,694
Total Qualifying expenditures	\$6,234,742
Less Rehabilitation Tax Credit	[\$1,185,008]
Eligible Basis	\$5,049,734
Low-Income Proportion	130% <sup>(1)</sup>
Qualifying Basis	\$6,564,654
Annual Credit %	9%
Annual Credit Amount	\$590,819
Total Low-Income Housing Tax Credit	\$5,908,190
Equity yield for Low-Income Credit	45.84e <sup>(2)</sup>
Total Equity raised from Low-Income Credit	\$2,708,079
<b>Total Combined Equity:</b>	<b>\$3,656,085</b>
<b>Notes:</b>	
(1) Project consists of 100% low-income units and is located in "qualified census tract", therefore a 30% boost/increase in credit amount is allowed.	
(2) Yield low due to: a) At that time the LIHTC was not yet a permanent program, resulting in few investors/little competition; and b) 100% of HRTC and LIHTC equity was invested up front, at the start of construction.	

(National Park Service, 1998)

## Eastern Hotel

The Eastern Hotel was constructed in 1911 in the Chinatown/International District and lies within the boundaries of the Seattle Chinatown National Register Historic District. It was originally constructed as a low-income worker hotel for the Wa Chong Company, one of the many Chinese benevolent associations that was common in Chinatown (Landmarks Preservation Board, 1977). It is a four-story mixed-use building that went through several different names with different businesses occupying the residential spaces for their



Figure 12: Eastern Hotel

workers (Mizuki, 2014). This included Carlos Bulosan, a Filipino author whose works describe the struggles of Filipino cannery and service workers in the Northwest (Mizuki, 2014). In 1996 InterIm Community Development Association purchased the property, and in 1998 the building went under a \$6.1 million renovation, utilizing both Historic Rehabilitation Tax Credits and Low Income Housing Tax Credits to create 47 affordable housing units (InterIm CDA, 2013). These units serve low- and very-low income residents with studio, 1-, 2-, and 4-bedroom

apartments. This project required the cooperation of several stakeholders including the Carlos Bulosan Memorial Project and the Chinn Family, who were the owners of the building at the time (Mizuki, 2014).

### Cooper Artist Housing

The Cooper Artist Housing was originally built in 1917 as Cooper Elementary School in West Seattle. It is a brick three-story building that was constructed in response to the rapid growth that West Seattle was experiencing, and a second wing was added in 1929 (Landmarks Preservation Board, 2002). The school is famous for hiring the first black schoolteacher in the Seattle School District, Thelma Dewitty. The school

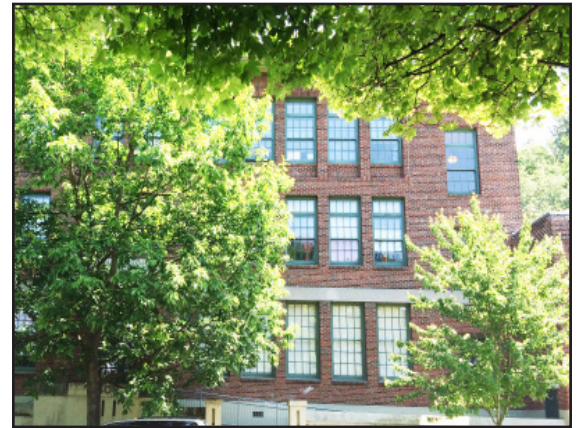


Figure 13: Cooper Artist Housing

experienced high attendance rates until the 70s and eventually closed in 1989 (Landmarks Preservation Board, 2002). In 2006, the Delridge Neighborhoods Development Association and SMR Architects converted the old school building into Cooper Artist Housing with the Youngstown Cultural Arts Center on the first floor (Delridge Neighborhoods Development Association, 2005). This housing consists of 36 studio apartments serving residents that make between 30%-

50% AMI. These are intended to be live/work art studios that allow residents to pursue art that contributes to community building (Delridge Neighborhoods Development Association, 2005). This building is on the National Register of Historic Places and has been designated a Seattle Landmark. The historic quality of this building has been preserved, as the original school blackboards, windows, and cabinetry still remain (Delridge Neighborhoods Development Association, 2005).

### **Sand Point Housing**

Sand Point Housing consists of 6 decommissioned navy buildings that were originally part of the Sand Point Naval Air Station. These buildings were originally developed between 1938 and 1944 as part of an expansion of the naval station and were designed to house single, married, and junior officers (Landmarks Preservation Board, 2011). These buildings range from 2-3 stories high and are part of the Sand Point Naval Air Station Landmark District. After World War II the naval station experienced a decline in activity until it was finally closed in September of 1995 (Landmarks Preservation Board, 2011). Under the McKinney Act, the federal government allowed the City of Seattle to purchase the land for \$1 under the condition that the City would create a plan to house the homeless (Tonkin Architecture, 2015). In 2010, the nonprofit organization Solid Ground began developing the buildings into various forms of housing targeted at formerly homeless populations. These developments included Brettler Family Place for families (51 units), Santos Place for singles (42 units), Youthcare Passages and Pathways for youth (18 units), and Friends of Youth New Ground for young or expecting mothers (6 units) (Solid Ground, 2012).



Figure 14 and 15: Sand Point Housing

## Open-Ended Interview Themes

In total I interviewed 9 different agencies, firms, and individuals to get stories and perspectives on how and why these developments occurred. Of the 9 interviewees, 4 of them were nonprofits dedicated to providing affordable housing for different income targets; 2 of them were preservation development authorities (PDAs); 2 were architecture firms dedicated to historic rehabilitations and low-income housing; and 1 was a retiree who was heavily involved in this type of work in the 1980s and 1990s when Low Income Housing Tax Credits were very popular. This group of 9 interviewees had worked on 19 out of the 27 buildings that I had identified for my analysis, so they formed a representative group for this study. In this set of interviewees the organizations had different missions and values; however, many of them had previously collaborated on different projects in the past and were aware of all the players and perspectives that are necessary for this work. The interviewees all worked on different aspects of rehabilitation projects, including design, construction, and management, which gave me a wide range of perspectives on the topic.

These interviews were conducted between February and April of 2015, and all but two interviews took place at the offices of the firms and agencies. These interviews began with an overview of the daily work that each firm and agency conducts, and from there I guided the interviewees to the different topics that I wanted to cover. As referenced previously, the topics in question were: policies currently in place, funding opportunities, and ways that this work could be improved, streamlined, or encouraged in the future. I used these topics as guidelines for my interviews, but I also allowed the interviewees to discuss other aspects of this work that were relevant in case they had other thoughts to offer that I had not considered. Interviewees were open and willing to share many details about their work on these historic buildings.

### *Challenges to This Work*

Despite the wide range of perspectives that arose from these interviews, I was able to pull

out key themes that were relevant to this work. What I mainly found were challenges to this type of work. Here are some common themes that were expressed in all of my interviews:

**1) The funding for this type of work is incredibly limited.**

Funding from various governmental entities such as Low Income Housing Tax Credits from state housing finance agencies, loans and rental assistance from the Department of Housing and Urban Development, rehabilitation tax credits from the U.S. Department of the Interior, and Community Development Block Grants are used to fuel these types of development. Particularly in Seattle the housing levy and the housing trust fund are both resources that are utilized for rehabilitating historic buildings for affordable housing. However, according to interviewees those sources of funding are very competitive and are decreasing over time. The Great Recession of 2008 also was a factor in slowing down this type of work, as many firms and agencies found that they would not be able to make these types of projects feasible during that time. Several agencies acknowledged that their work slowed down over all once the recession hit, and as a result are now much more focused on new development than on rehabilitation. The funding itself is proving to be a barrier in making these projects possible.

These limitations on funding are especially challenging for nonprofit organizations because they typically have several types of funding sources that need to line up correctly in order to be able to bid on a project. Often projects require assistance to fill the funding gap that exists between the amount of money that a developer can acquire and the actual amount needed to make a project feasible. Some organizations mentioned having to engage in fundraising activities in order to make a project financially feasible when they were not able to obtain the loans and tax credits that they needed.

The more successful projects of this type were often in buildings that the agency had already owned, which allowed the organizations more time to gather the proper funding to make their projects move forward. Nonprofit organizations who owned their historic buildings then did not have to compete with other developers to put a bid on these projects, streamlining a part of this



complicated process. In some of these cases, agencies remarked that having other buildings that generate reliable revenue actually helps to channel funding toward completion of affordable housing projects. In those cases, the agency looks at the entire portfolio as a whole and is able to use revenue from other buildings to put some of their own money into a project.

**2) The stock of historic buildings that are fit for this type of rehabilitation is also limited.**

Interviewees commented that historic properties that could be used for affordable housing were more available back in the 1960s-1980s when property owners did not know what to do with them. These owners often went to local preservation and housing agencies for guidance on utilizing their property, which was a common story for many buildings. However, as historic character has become a more marketable attribute of properties, the competition for them has increased. Buildings that were once seen as unusable are now seen as potential luxury apartments and condos. Affordable housing organizations and developers are not able to compete with other private developers for acquiring these properties as much as they were able to before.

In addition to being unable to compete with private developers for making these projects happen, agencies also expressed frustration with finding historic properties that are available for rehabilitation due to high levels of non-affordable housing adaptive reuse of historic buildings in Seattle. Seattle is a rapidly growing city, which puts non-protected historic buildings at risk of redevelopment or demolition.

**3) Rehabilitation is expensive and cumbersome, making it difficult for affordable housing projects to be financially feasible.**

Although in theory using old building stock would be cheaper than acquiring land for new development, with retrofitting, adding elevators, updating historic building elements, and the constant upkeep of historic buildings, the project can end up actually costing agencies more money. When I asked about new construction versus historic rehabilitation, many

interviewees expressed frustration with the process of historic rehabilitation in acquiring funding for a rehabilitation, which costs time and money. Particularly with agencies that serve low-income residents, the cost to relocate current residents can be a barrier. One of the nonprofit organizations interviewed stated that their building was due for a large renovation, but their current tenants would otherwise have nowhere to stay if they were to clear out the building in order to renovate. This organization works with particularly vulnerable tenants recovering from homelessness that struggle with chemical dependency and mental health issues. Another agency that serves a similar population said that their building's rehabilitation required a three-stage occupied renovation so that the majority of residents could remain in their building during construction.

In addition to the initial rehabilitation being cost-prohibitive for affordable housing providers, the maintenance and upkeep of historic buildings adds additional costs compared to new construction. Buildings that provide below market-rate housing will generate limited revenue compared to market-rate housing, giving the housing provider lower revenue to utilize toward maintenance and repairs. With older and historic buildings repairs and maintenance issues can occur more frequently, so organizations have to carefully consider these costs before proceeding with such a project. The continual investment in the upkeep of historic buildings could make it unattractive for agencies to pursue affordable housing adaptive reuse.

#### **4) The guidelines and restrictions on historic buildings make pursuing them sometimes unattractive.**

Some interviewees expressed frustration with guidelines and restrictions for rehabilitation of historic buildings. A common issue with these buildings was the inability to use cheaper, more modern materials in replacements, particularly with windows. Landmarks Preservation boards have emphasized the importance in keeping original historic windows, yet often these windows are not energy efficient and are more expensive to replace. This adds yet another expense for nonprofit organizations that are operating with smaller budgets than private developers.

The historic designations on these buildings can place restrictions on other construction decisions as well. One interviewee has a first-floor retail tenant that wanted an awning on the front of the building, and the process to get this awning approved by the Landmarks Preservation Board took an entire year. Another interviewee wanted to remove the original catwalk on the agency's historic building but was required to keep it as part of the building's historic integrity. This agency serves a very low-income population with mental health and chemical dependency issues, so having this structurally unstable catwalk became an added liability and a concern. In one building that was converted from an old elementary school, the agencies involved decided to keep the old blackboards and school windows in the rehabilitated artist housing. In yet another instance, a rehabilitation to convert an old office building into studios had to keep the old office corridors as well as the glass office doors. This left the agency the difficult task of addressing the privacy issues associated with the glass doors in their units. In all of these instances, interviewees expressed that the constraints on additions and improvements to the buildings in order to preserve historic integrity created a barrier rather than an opportunity.

While the historic designation does open up the possibility to utilize historic rehabilitation tax credits from the U.S. Department of the Interior, compliance with the Secretary of Interior's Standards for Rehabilitation can sometimes be a barrier to utilizing them. One interviewee stated that the agency decided not to utilize historic tax credits when they found that compliance would make the project more expensive, even with the tax credits. The cost of replacing historic aspects of buildings to the standards set by the federal government was higher than the benefits they would receive from utilizing the tax credits. Although the tax credits are intended to incentivize this type of development, there are limits to their application.

#### **5) Buildings without ground-floor retail may have difficulty keeping projects afloat.**

Three interviewees stated that in their cases, having a ground-floor retail space was the only way that the project was financially feasible. With the low rent levels that they are able to secure

from tenants in the housing units above, they would run a deficit without the revenue from the retail below. Rents from commercial tenants can help to contribute to the maintenance costs of the residential units. This could be a limitation for attempting to rehabilitate buildings that are not mixed-use or not able to be converted to mixed-use with ground-floor retail.

### *An Atypical Case*

One of the preservation development authorities stressed that their agency has been able to successfully overcome these challenges with enough creativity, the right partnerships, and enough knowledge of both low-income housing and historic preservation. This agency has not only been able to make their projects financially feasible, but the buildings also generate profit in addition to covering the costs of maintenance and repairs. This agency also highlighted the opportunity for utilizing both Low Income Housing Tax Credits and Historic Rehabilitation Tax Credits as an effective way to cut costs. However, this agency specializes in historic preservation and has the necessary skills and knowledge to navigate the design reviews and standards for rehabilitation, which are an important component for this type of work. They have also created strategic partnerships with low-income housing developers and managers, combining resources so that these projects can operate efficiently and utilize each other's strengths.

This agency also shared their financial documents with me to display the types of considerations they take when maintaining and pursuing buildings. For each of their properties, they develop a critical needs assessment of all the building systems, exterior elements, and interior elements of both the common areas and the individual units. They then take into account each element's typical useful life, useful remaining life, cost, and estimated replacement cost for the year in which the element's useful remaining life will expire. This allows them to estimate when parts of the building will need to be maintained and replaced so that they can organize their expenses accordingly and prevent larger repair expenses later. They have also developed a budget for each of the buildings with a cash flow analysis of each month, including all anticipated expenses as well as cash reserves. These documents demonstrate that

clearly they have been able to make these developments financially feasible. This agency has identified that their financial acumen, the knowledge of both historic preservation and affordable housing, the tax credit programs, and the strategic partnerships they have developed are the key elements to success.

### *Opportunities for This Work*

Every interviewee expressed that this type of work is not designed for just anyone to take on. It takes a firm or an agency that is dedicated to these causes of historic preservation and affordable housing to properly conduct this work. It also takes an incredibly creative team to work around the standards for rehabilitation, the design guidelines placed by historic districts, the population's housing needs, and the building codes of local jurisdictions. As mentioned previously many of these stakeholders have collaborated previously on other projects, so they have been stakeholders in this field for a long time. They have identified the keys to success, which allows them to see what a future project would entail more easily than a new organization that wanted to take up the challenge.

Despite these challenges to this type of work, the 27 buildings that I have identified for my analysis demonstrate that this type of work has been feasible in the past. With the right conditions and enough consideration of these different aspects, this work is certainly possible. Just as there are challenges to this work, there are also opportunities available as well. Strategic partnerships are incredibly important, and most of the interviewees have already acknowledged this fact and built those partnerships. Interviewees stressed that particularly partnerships between nonprofit organizations who acquire these buildings and for-profit architecture and design firms are important in doing these historic rehabilitations for affordable housing. These partnerships not only facilitate the sharing of ideas and expertise but also allow groups to pool their resources together to get their funding ready more quickly. This is especially important for nonprofit organizations working with limited funding and resources alone.

Another opportunity that was expressed among interviewees was the environmental

benefits of converting historic buildings. Several interviewees shared that using historic buildings rather than building new actually saves energy due to the fact that they are not utilizing new materials. The historic buildings already contain embodied energy from when they were originally constructed, and clearing out these buildings to create new ones would only waste more energy. As architect Carl Elefante proclaimed, “The greenest building is the one already built,” and these architects and agencies agreed that this could be a better message to send in garnering support for historic preservation. People often think of historic preservation as simply wanting to keep old buildings for historic character, but many interviewees recognized that there is much more to the field than that. Issues of density, of transit-oriented development, and sustainability are also closely tied to historic preservation. This provides an opportunity for those working in this field to create strategies for partnering with environmental organizations and urbanists to develop messaging in support of preservation.

## Discussion

The themes from the interviews match up with the findings from the building stock analysis in several ways. I found that many of the buildings were rehabilitated in the 1990s and 2000s, which matches with the period when the Low Income Housing Tax Credit program (LIHTC) was established by the federal government. The fact that 16 out of the 27 buildings utilized these tax credits demonstrates that these credits are incredibly valuable for incentivizing this type of work, as long as the requirements to attain them are feasible. In evaluating the use of the LIHTC program, government entities should look at the benefits when combined with historic properties. Although the LIHTC program is often used for the production of new affordable housing units, clearly it is an important funding source for the rehabilitation of housing units in existing buildings as well.

From the building analysis, I found that 14 of the 27 buildings were old residential hotels, and in my interviews I was able to get the story of why these conversions occurred. Many of these older hotels were catering to a transient population, and often these were workers who

came to Seattle for job opportunities with the canneries, the railroad system, and the mines. The agencies that served the neediest populations (under 30% of the Area Median Income) stated that these old hotels were well suited for conversion to affordable housing due to their layout. All but 1 of the 27 buildings identified in the analysis offered single-room occupancy units, studios, or 1-bedrooms designed for individuals or couples, which is the same sized units that were already in place in these hotels. This makes the conversion easier for agencies who wanted to utilize these buildings to provide housing for individuals recovering from homelessness.

The location of these buildings was also no coincidence, as interviewees explained the trends I noticed in my building analysis. I found that 17 of the 27 buildings were located in the International-Chinatown District, Pioneer Square, or Downtown. As Seattle developed and expanded over time, growth began to occur in other parts of the city, leaving behind these older and underutilized buildings in these neighborhoods. Nonprofit housing organizations were able to take advantage of these buildings as their age, location, and condition made them unattractive and affordable. At the same time, these neighborhoods were also known as places where supportive services and health services were ubiquitous, as many organizations that serve low-income populations, like Downtown Emergency Services Center, are strategically located in these neighborhoods. Their central location makes them easy to locate by transient populations that need assistance. The pairing of shelter and services is important for the work of these nonprofit organizations, so their strategic location is vital to success.

The findings from both the qualitative and quantitative methods demonstrate that this work is more feasible with particular conditions, locations, partnerships, building stock, funding, and policies. When these conditions are met, the use of historic buildings for affordable housing flourishes to create more sustainable and equitable outcomes for Seattle. In order for Seattle to meet its growth targets, creative solutions for addressing the housing affordability crisis are necessary. These examples of previous projects in converting old hotels, elementary schools, and naval officer quarters are just some of the many creative possibilities that can arise from this work. As the current building stock in Seattle continues to age, more buildings will become

eligible for historic designation and preservation. This opens the opportunity for more organizations to utilize resources such as the Historic Rehabilitation Tax Credits and the Low Income Housing Tax Credits so that they would be able to make similar projects occur. However, local and federal governments need to acknowledge the reliance on funding sources such as these and sustain them in order for this work to continue.

Seattle has some high growth targets to achieve, yet rehabilitation of existing buildings for housing units has lagged behind new construction. According to a chart by Seattle's Department of Planning and Development, the amount of new multifamily units in new buildings has skyrocketed since 2009. At the same time, multifamily housing units were being demolished, and the rehabilitation of existing buildings to build affordable housing took a huge dip during the recession. This trend is only slowly recovering with each year since 2009 (Seattle Department of Planning and Development, 2015). This is in line with comments from interviewees that their work slowed down once the recession hit. According to this document, new construction of multifamily housing units has always outpaced rehabilitation since 1984, but the widest gaps have occurred in the more recent years of 2007 and 2012 (Seattle Department of Planning and Development, 2015). This spike in new growth could come at the cost of demolition of older structures, which would diminish the stock of available buildings that can be rehabilitated. This topic certainly warrants more attention in a period when Seattle's growth is happening at an exponential rate.

Opportunities to match the goals of historic preservation with the goals of sustainability can help to spark interest in pursuing more of these projects in the future. This was not an immediate connection that I made in my initial research, but several interviewees brought this fact to my attention. More acknowledgement of this connection is beginning to be exposed, as the National Trust for Historic Preservation currently has their Preservation Green Lab team conducting studies on these connections. A report by this team demonstrates that in almost every instance retrofitting and rehabilitation produces more environmental savings than demolition and new construction (Preservation Green Lab, 2011). Even new buildings that



contain energy-efficient features can take between 10 to 80 years before the environmental benefits outweigh the costs that went into constructing the new building (Preservation Green Lab, 2011). Reduced carbon emissions, extractions of natural resources, electricity consumption, and potable water use are some of the many environmental impacts of new construction. With increased awareness of the environmental benefits of retrofitting and rehabilitation, Seattle can simultaneously meet its population growth targets and its environmental sustainability goals over time.

Reflecting back on the literature, many of the proposed benefits of utilizing historic buildings were actually true in these Seattle cases. In terms of preventing displacement, these buildings helped provide low- and very low-income individuals and families with the housing and support that they need in order to stay in Seattle. Although the city is experiencing high rates of gentrification compared to other U.S. cities (Maciag, 2015), these 27 buildings provide 1,680 total affordable housing units for those making less than 60% AMI. These units help to prevent the displacement of these less affluent populations. Another proposed benefit of this approach is the closer proximity to amenities such as work, elementary schools, shopping, and public transportation. This is due to the fact that historic buildings tend to form the original central business district of many cities, where urban services and amenities are concentrated. In the case of Seattle, this was certainly also prevalent as the majority of the buildings utilized for affordable housing were located in centralized, walkable areas rich with amenities.

However, one proposed benefit of historic rehabilitation for affordable housing was not the case in Seattle: the idea that historic rehabilitation is a financially competitive alternative to creating new development. Interviewees expressed that newer construction is often cheaper due to several factors. The first factor is the ability to use cheaper and more efficient materials rather than continue to preserve expensive historic aspects. As noted before historic windows are expensive to replace, and sometimes finding the materials that match original structures is difficult. Historic designation can also increase the value of the property, making it costlier for nonprofit housing organizations to acquire these buildings for rehabilitation. Restrictions on what

one can do with an historic building and the design review process can also lengthen the time it takes for a project to complete, costing the developer time and money in the end. Bringing historic structures up to the building codes and placing in features such as elevators adds another high cost as well, as these buildings have old appliances and outdated layouts. Lastly, the maintenance and repairs of historic structures can prove to be too costly for nonprofit organizations working with limited funding. In these cases even though the initial cost of rehabilitation may be cheaper than new construction, the constant upkeep of those buildings may make historic structures more expensive. Even with the application of Historic Rehabilitation Tax Credits, applicants must pay a fee in order for the National Park Service to review the proposed project as well as to determine if the construction meets the standards of rehabilitation (Technical Preservation Services (2012). This fee and the process for determining the tax credit allocation also adds time and money that nonprofit organizations may not have to spare. It is often assumed that rehabilitation is cheaper than new construction, but the interview responses gave new insight to the financial challenges that may make this proposed benefit untrue in the case of Seattle. Seattle has high land prices and is becoming more attractive with time, so the financial benefits of historic preservation may not outweigh the costs.

This type of work can continue to occur given the right circumstances, and the roles of different stakeholders are also clearly defined. Local governments need to continue finding creative ways to fund this work with housing trust funds, housing levies, and community development block grants. The federal government needs to sustain and strengthen the two tax credit programs as well as other potential sources of funding like rental assistance. Nonprofit organizations need to team up with the right players in order to get the historic preservation expertise as well as the financial package necessary to purchase and rehabilitate the property. Community and environmental activists need to garner support for preserving the building stock and educate the public on the benefits of utilizing historic buildings. And lastly, planners need to recognize the intersection between historic preservation and other aspects such as density, transit-oriented development, walkability, sustainability, and affordability. Without the support of

many of these players, this work may not continue to happen. Particularly in a rapidly growing area such as Seattle, now is certainly the time for this work to occur before we lose the current stock of historic buildings that could potentially be rehabilitated for affordable housing.

There are other forces that are working against this method of providing affordable housing. The premium that historic character can place on a building may make them too difficult for affordable housing nonprofit organizations to purchase, or the premium could make these buildings more attractive to developers looking to build luxury condominiums, apartments, and microunits. For instance, in Washington, D.C. a 1901 mansion called the Patterson House sold for \$20 million in June 2014, and developers planned to convert this mansion into microunits at 350 square feet. These units are designed for individuals earning between \$150,000 and \$200,000 per year (Capps, 2014). Projects like the Patterson House exemplify a development trend leaning towards the adaptive reuse of historic buildings for luxury residential units including microunits that price out individuals earning less than the Area Median Income. If this trend holds, utilizing historic buildings for affordable housing may not be feasible especially in cities like Seattle where urban neighborhoods are thriving and transforming.

## Conclusion

The rehabilitation of historic properties for the benefit of affordable housing is not inexpensive, not easy, and not common. However, plenty examples of this type of work exist in Seattle, demonstrating that at some moment in time and under certain circumstances this was the best option for utilizing an historic property and creating affordable units. Out of the many properties that were designated as a Seattle landmark, as part of an historic district, or as part of the list of the National Register of Historic Places, only 27 of the buildings in Seattle provided affordable housing units. This number is small, yet significant in a time when Seattle is growing and changing, leaving certain populations with the burden of spending over 30% of their income in housing costs. This population benefits greatly from these buildings in that they are not only able to continue living in Seattle, but they are also able to have access to transit, to food, to jobs,

and to good schools.

Seattle's history is reflected in its historic buildings, and many of them were originally designed for low-income populations in the form of residential hotels. Turning these buildings into affordable housing allows them to remain significant for their original populations as well as allow these residents to be part of the growth and change in Seattle. These buildings are not frozen in time, but rather they are able to adapt to the needs of the populations they serve. This is the ultimate goal of historic preservation planning. These buildings are serving that purpose, and they serve as an example of how Seattle can move forward and meet the local growth targets while still reflecting the past that shaped its present.

Many of the proposed benefits of utilizing historic buildings for affordable housing were achievable in these 27 buildings. However, developers and nonprofit organizations did not see these benefits without overcoming some major barriers such as funding, long-term maintenance, design review, codes, and policies. This work is carried out by specialized groups with different sets of knowledge, and this work is done on a more individual basis. Planners are adept at looking at growth and development in the long view, and they have the ability to bring everyone to the table to form the right teams for this work. The existing developments demonstrate that this work is clearly doable, but in order to create a larger and long-term impact on issues of affordability in Seattle, a more comprehensive and collaborative approach is necessary.

To continue using this method of creating affordable housing, planners, developers, and nonprofit organizations will need to look at the different barriers that prevent this work from happening on a wider scale, and these stakeholders also need to look at the growing trends that are creating new barriers as well. In addition to issues of funding, maintenance, and design review, the premium that historic character brings to a building is an added challenge that has more recently been affecting the use of historic buildings for affordable housing. As planners and developers search for new and improved solutions to the problem of affordable housing, the competition for historic buildings may increase and the feasibility of using these buildings for affordable housing may decrease. Yet the adaptive reuse of historic buildings continues to have

relevance in a housing market like Seattle where the affordability issues call for a variety of tools. Using historic buildings for affordable housing is one of the many ways that we can provide more affordable housing for Seattle.

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Appendix  
Locations of Historic and Affordable Buildings

Figure 1: Location of Seattle's Designated Historic Districts

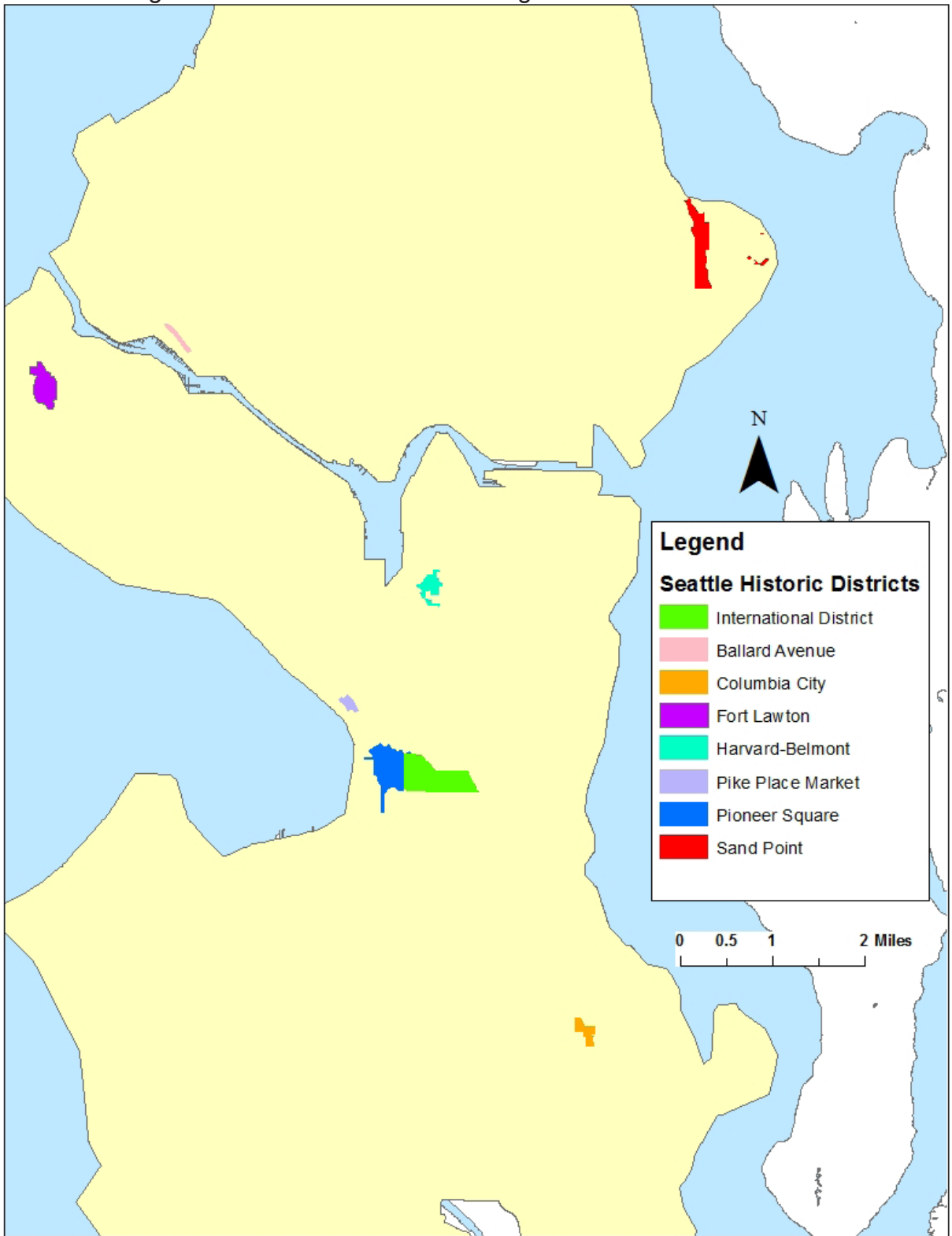


Figure 2: Distribution of Historic and Affordable Buildings in Seattle by Neighborhood

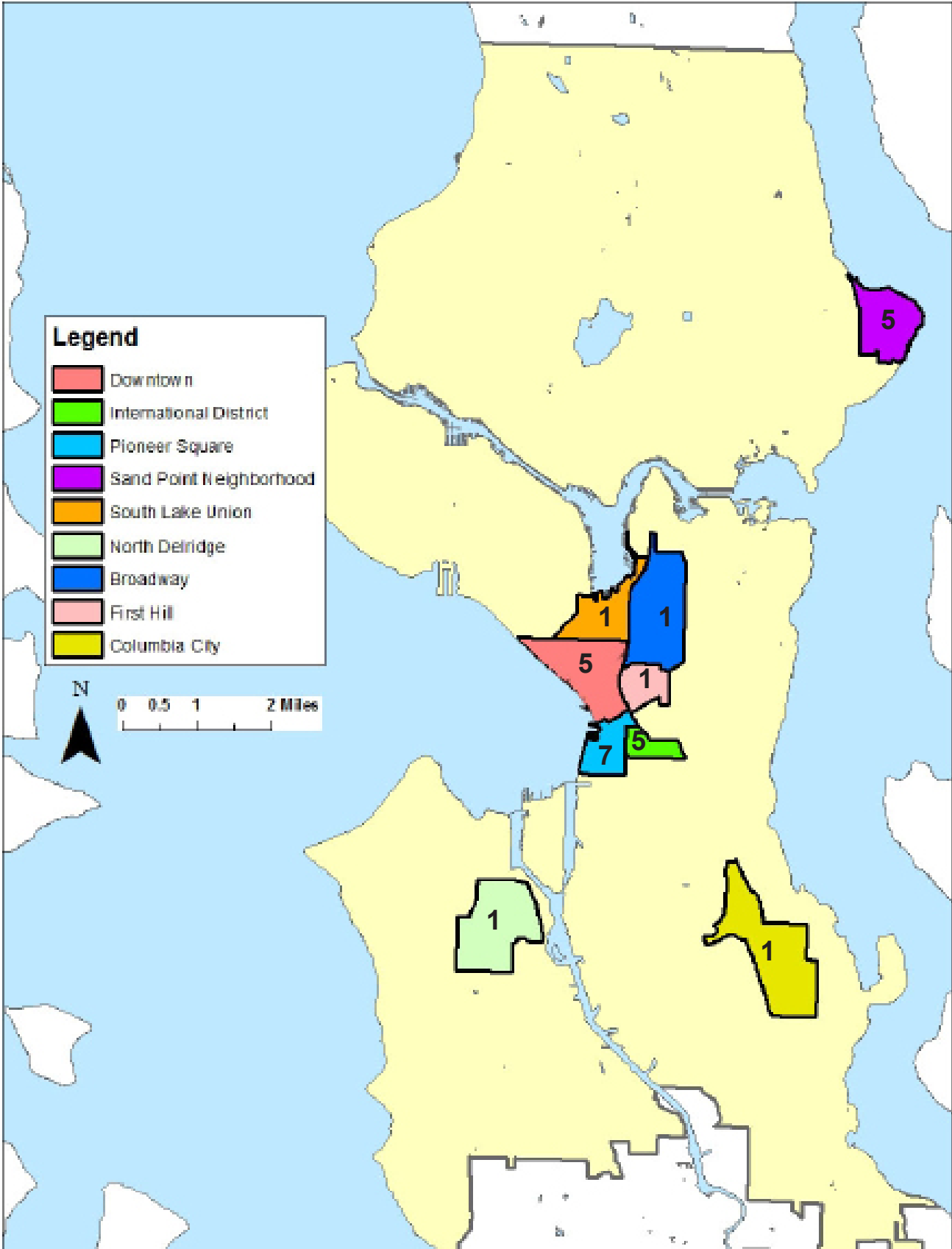


Figure 3: Distribution of Historic & Affordable Buildings in Downtown Neighborhoods

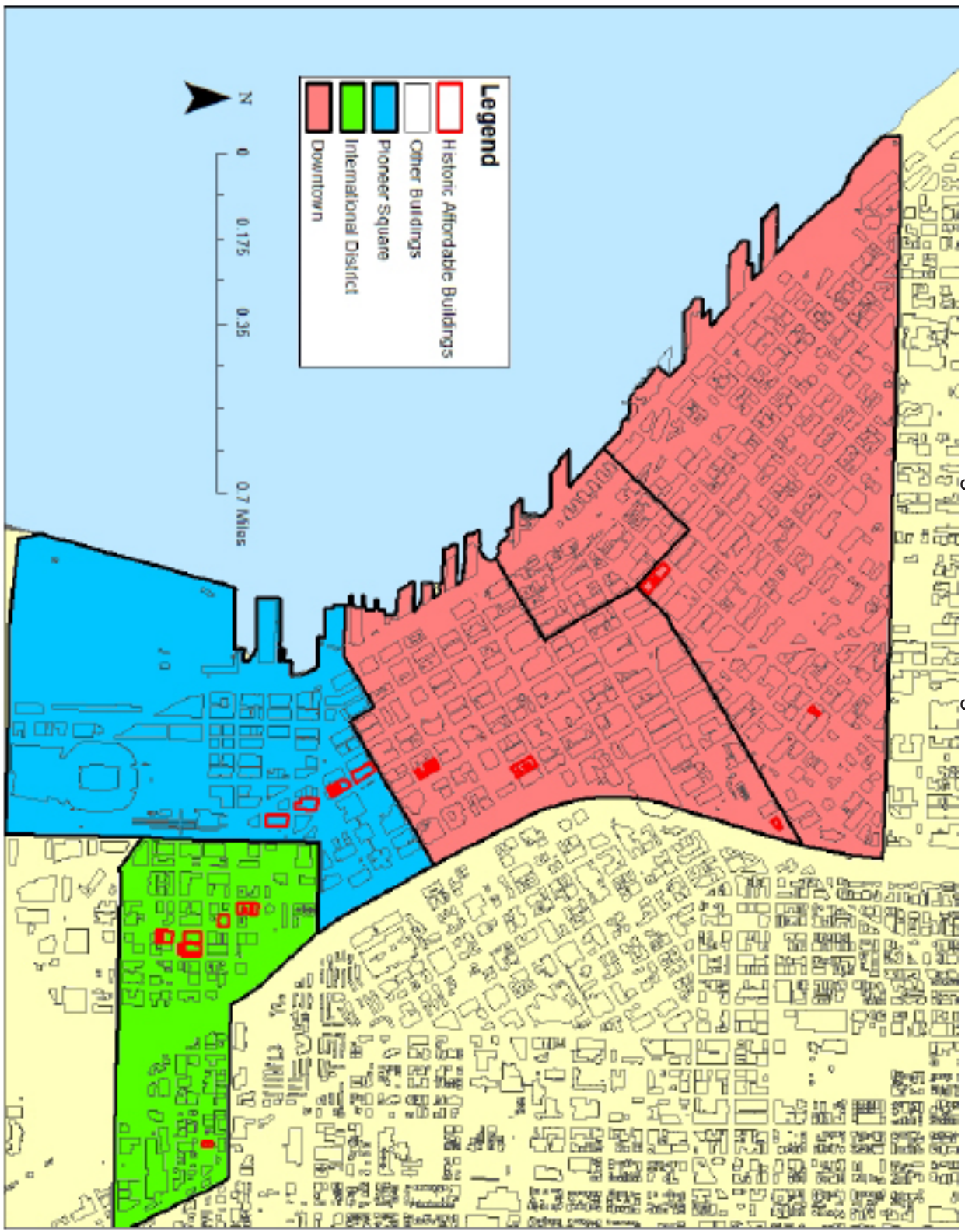


Figure 4: Distribution of Historic & Affordable Buildings in Sand Point Neighborhood

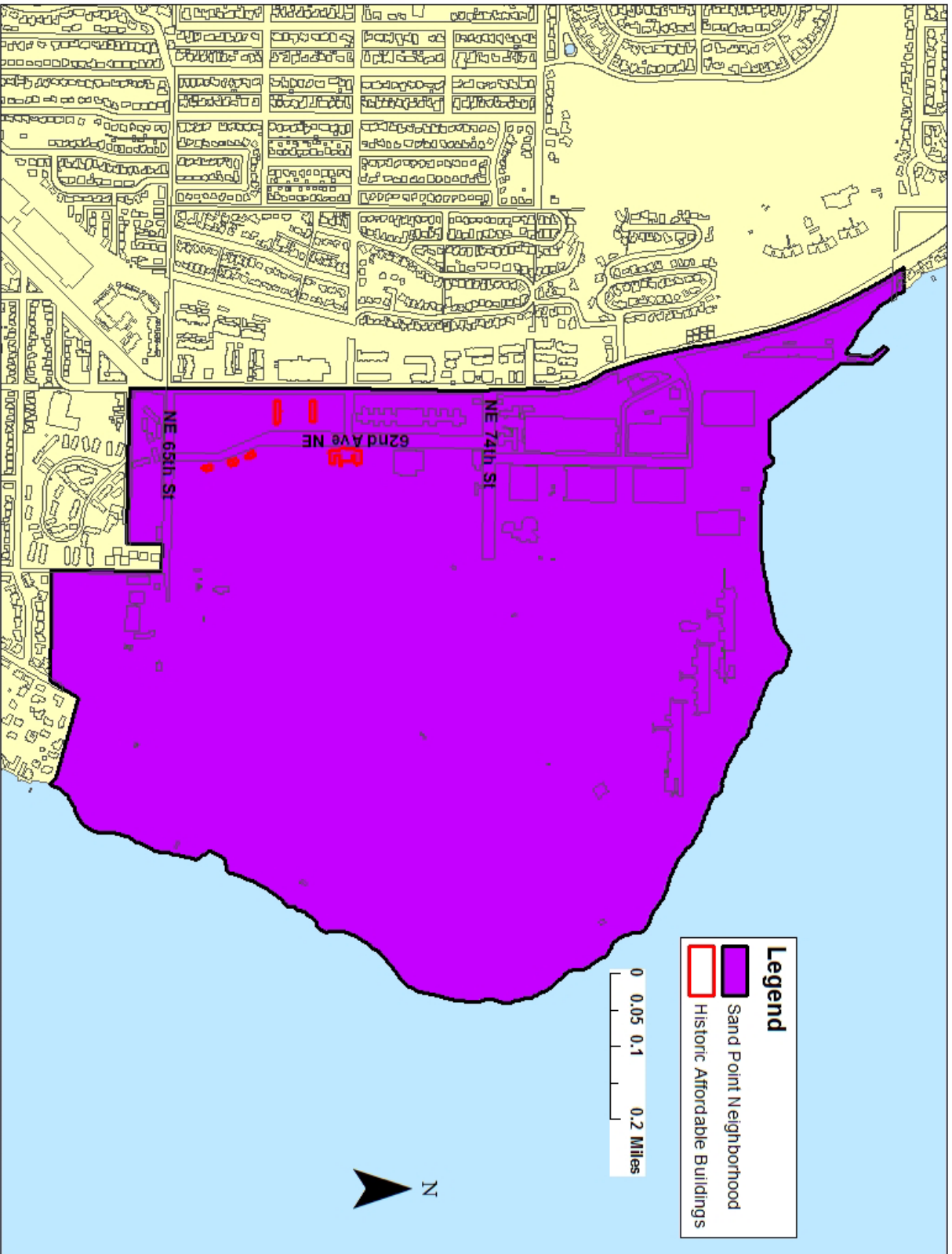






Figure 5: Distribution of Historic & Affordable Buildings in North Deirdge Neighborhood

Figure 6: Distribution of Historic & Affordable Buildings in Columbia City Neighborhood

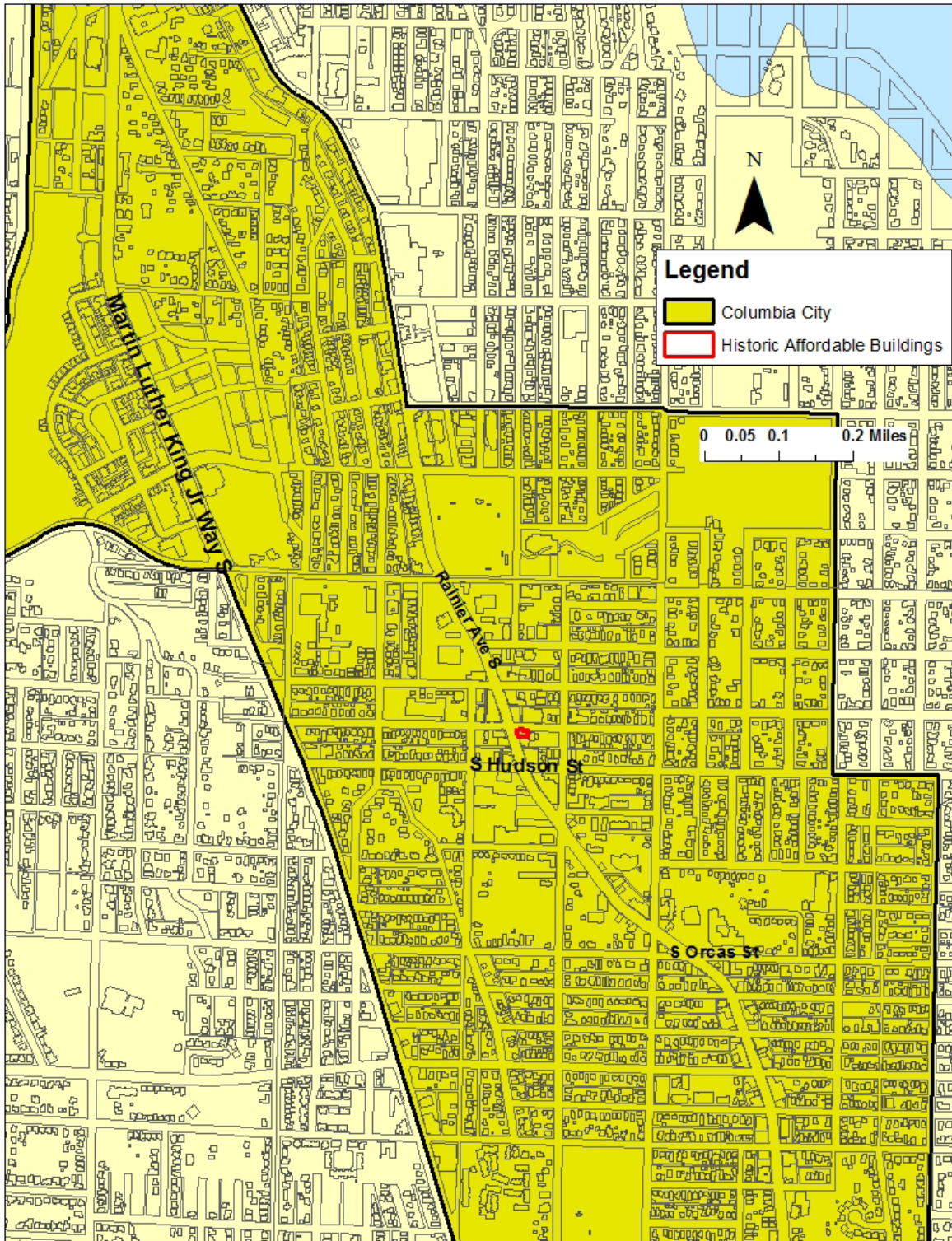


Figure 7: Distribution of Historic & Affordable Buildings in Broadway Neighborhood

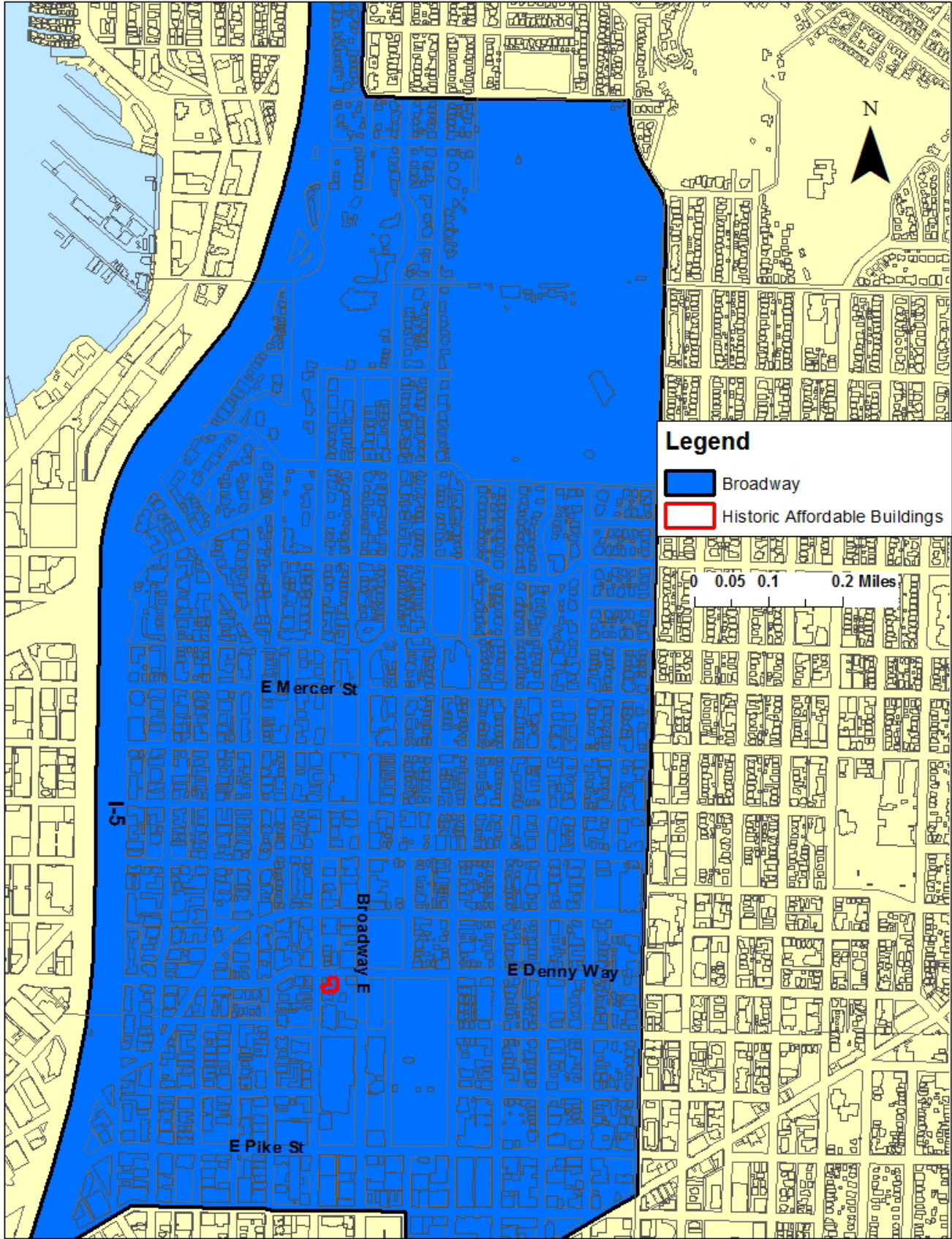


Figure 8: Distribution of Historic & Affordable Buildings in First Hill Neighborhood

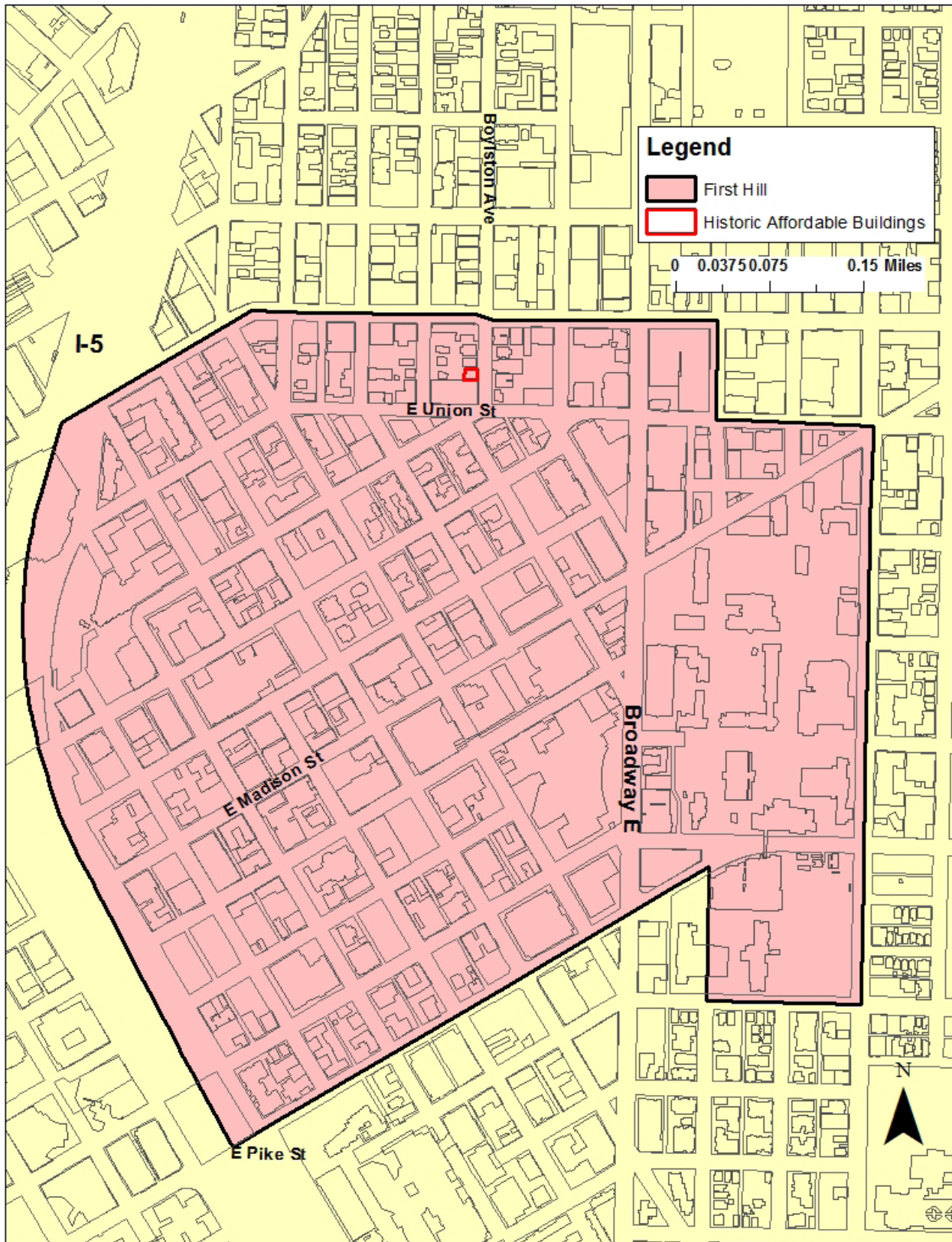


Figure 9: Distribution of Historic & Affordable Buildings in South Lake Union Neighborhood

