

**MAKING AFFORDABLE
HOUSING IN
HISTORIC PLACES**



PRESERVATION
new jersey

CASE STUDIES AND RECOMMENDATIONS



Miller Street Historic Homes
Photo Credit Donna Ann Harris



Montclair Inn
Photo credit Donna Ann Harris



Colonial Building
Photo credit Robert J. Laramie

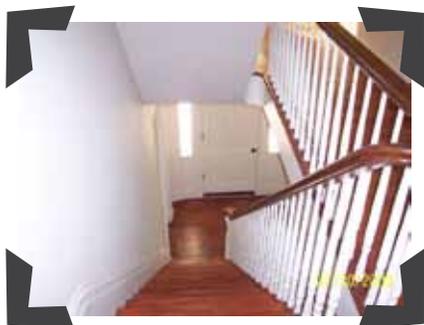


43 Glenridge Avenue
Photo credit Donna Ann Harris

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Prepared by Heritage Consulting, Donna Ann Harris, principal



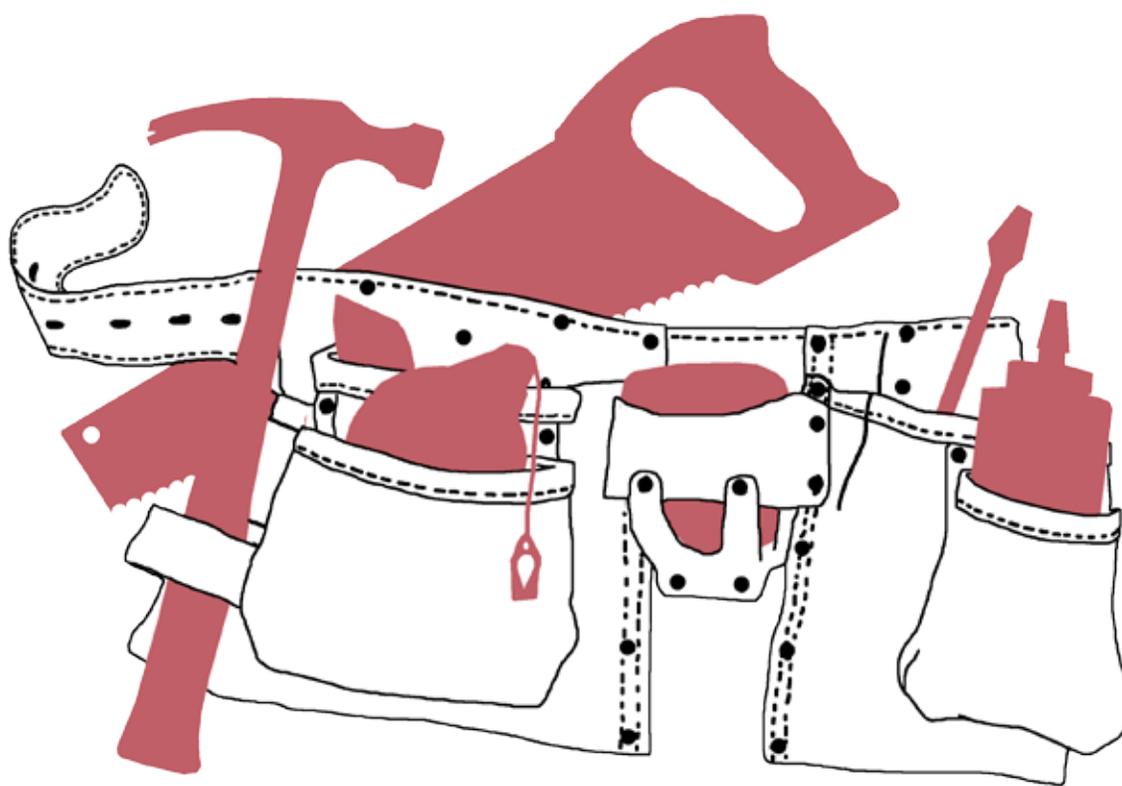
Bartles House
Photo credit Jesse Landon



Bartles House
Photo credit Jesse Landon



Bartles House
Photo credit Jesse Landon



INTRODUCTION

Introduction

During the summer of 2009, Preservation New Jersey (PNJ), the statewide nonprofit historic preservation education and advocacy organization, undertook a research effort funded by the New Jersey Department of Community Affairs (DCA) to review projects statewide that use older and/or historic buildings to provide affordable housing to meet the state-mandated Council on Affordable Housing (COAH) regulations.

This research project had four goals:

To understand how historic or older buildings were being used for affordable housing purposes in the state;

To create eight illustrated case studies of successful projects as a means of encouraging municipalities to use some of the underutilized or threatened historic properties in their community for affordable housing purposes;

To produce a series of recommendations to encourage better quality rehabilitation of historic buildings for affordable housing; and

To develop a list of additional research projects to further the aims of the project.

What is a case study?

A case study is a research method that makes complex information available across a limited number of events or conditions, to create an understanding of their relationships. Individual case studies are valuable when compared to each other. Case studies are considered qualitative research and used in many social science disciplines to “examine contemporary and real-life situations and provide the basis for the application of ideas and extension of methods.”¹ Author Robert K. Yin defines the case study research method as “an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used.”² Researchers use the case study research method with success in carefully planned and crafted studies of real-life situations, issues and problems. Reports on case studies from many disciplines are widely available in the social science literature.³ We chose to use this research

1 <http://fiat.gslis.utexas.edu/~ssoy/usesusers/l391d1b.htm>.

2 Yin, R. K. Case study research: Design and methods. Newbury Park, CA: Sage Publications, 1984, 23.

3 <http://fiat.gslis.utexas.edu/~ssoy/usesusers/l391d1b.htm>.

method for this project because it provided the most accessible means to learn more about affordable housing by creating what are essentially compelling short stories about each of the rehabilitation projects.

Case Study Research Process

The Council on Affordable Housing (COAH) staff graciously provided Preservation New Jersey with names and addresses of more than 110 affordable housing projects in the state that might have involved an older or historic building.⁴ Interns working for Heritage Consulting Inc., the project consultant, reviewed the Housing Master Plan Element for each municipality (available on the COAH web site) to determine if there was information in the Housing Element about the specific property. They also undertook a general Internet search for any additional information about each of the projects. This information was compiled into an excel spreadsheet.

Based on this initial research, Donna Ann Harris, Principal of Heritage Consulting Inc., project consultant, culled the list down to 45 likely properties that seemed to reuse an historic or older building for affordable housing purposes based on intern research. Ron Emrich, Executive Director of Preservation New Jersey, and Donna Ann Harris visited and photographed each of the 45 buildings in two, day-long trips to determine the quality of the rehabilitation of each property. We were hoping to identify at least a dozen properties that had been sensitively rehabilitated to be considered for case studies. We were pleasantly surprised to identify 18 projects that merited such consideration. From this list we produced eight case studies.

Case Study Participants

We contacted each of the 18 project sponsors/developers by telephone, letter and/or email to gain their interest and consent to a telephone or in person interview about their project (see Appendix B at the end of the report for the complete list). Six developers responded to our requests. Several of the developers had multiple projects as possible case studies, so we asked their assistance to identify the ones that had the most interesting story to tell.

Each case study participant was asked the same series of questions (see Appendix A at the end of this report for our list of questions) which were sent to the sponsor/developer in advance. We sought an honest appraisal of the difficulties of creating affordable housing in historic buildings,

⁴ Please see acknowledgements at the end of this report.



Bartles House
Photo credit Jesse Landon

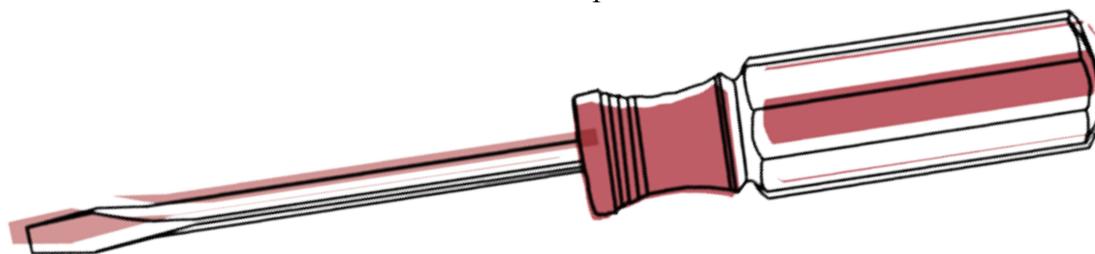


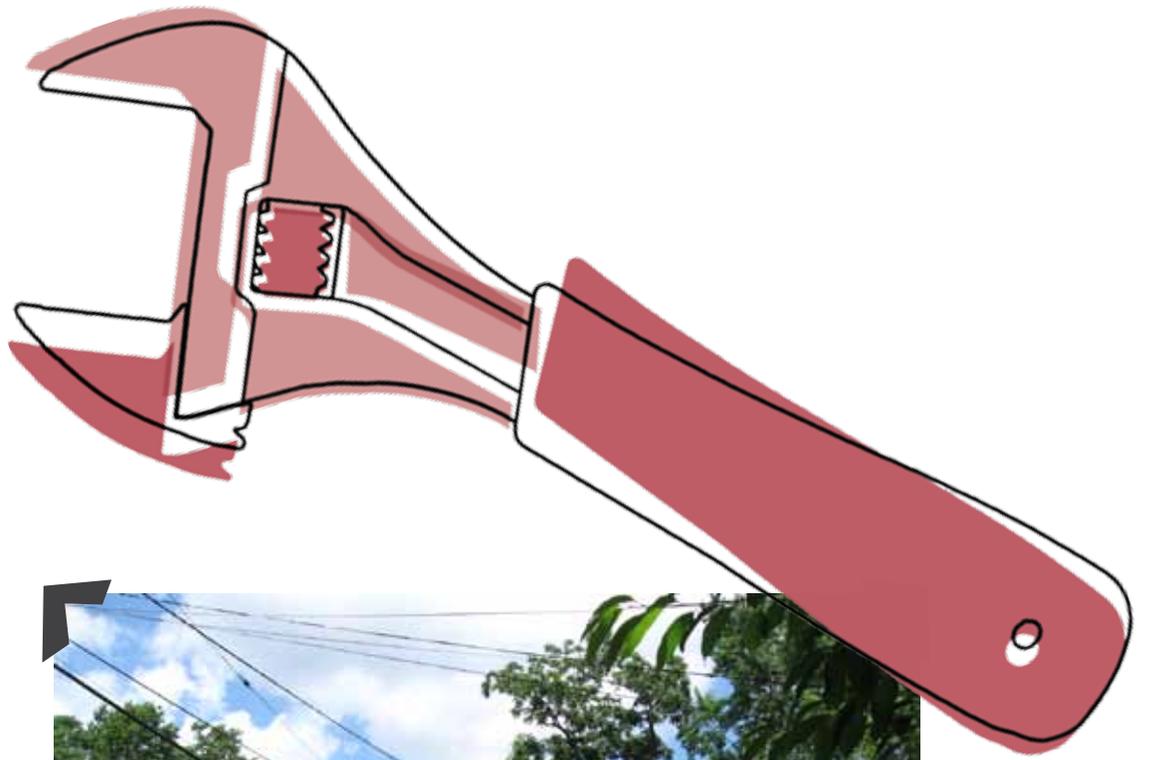
Bartles House
Photo credit Jesse Landon

and were pleased to hear the candid comments by these developers during our interviews. Several developers provided great insight about how they identify possible projects, which we found useful in questioning other affordable housing developers.

We also asked if the developer could supply any “before” photos of the project. After the interview, and if necessary, we conducted additional research to fill in any gaps. A draft of the case study was sent to the sponsor/ developer to correct any factual errors and a final version of the case study was completed and is included here in the case study section, listed alphabetically by project name.

At the conclusion of the project, we reviewed all the cases to identify a series of initial observations and recommendations which we shared with the Council on Affordable Housing staff including Lucy Vandenberg, Executive Director, Gina Fischetti, Deputy General Counsel and Keith Henderson, Director of Policy and Planning. Our recommendations and list of further projects is provided at the end of this report and represents solely Preservation New Jersey’s opinions.

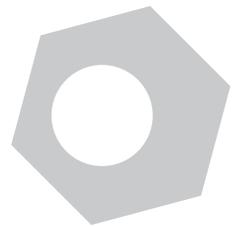
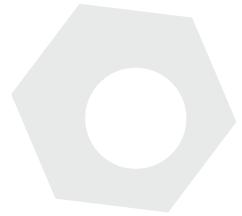
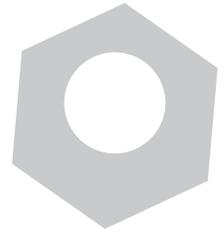




Miller Street Historic Homes
Photo Credit Donna Ann Harris

CASE STUDIES

1. Miller Street Historic Homes, Montclair
2. 43 Glenridge Avenue, Montclair
3. Bartles House, Tewkesbury Township
4. Broad Street Bank, Trenton
5. Colonial Building, Delanco
6. Montclair Inn, Montclair
7. Providence Square, New Brunswick
8. Salem Historic Homes, Salem



MILLER STREET HISTORIC HOUSES HOME Corp, Montclair NJ

The homes along Miller Street in Montclair, New Jersey had long fallen into disrepair by the time that local realtor Dee Watson had decided that Montclair needed a local nonprofit housing organization. She, along with other founders, felt the organization could provide affordable rental and ownership opportunities for Montclair residents.⁵ The organization she helped found was HOME Corp (Homes of Montclair Ecumenical Corp), “a community-based non-profit organization, formed in 1988 by concerned residents and religious institutions in Montclair, New Jersey to improve and develop housing in Montclair. Its mission is to provide safe, permanently affordable homes in Montclair and to promote neighborhood development. As an organization, HOME Corp seeks to strengthen the community foundation by assisting families who are largely disenfranchised from the robust housing market in Montclair.”⁶

The Miller Street Homes was the first project that the new organization tackled in the late 1980s. The first rehab project was numbers 9 to 15 Miller Street, which were converted into affordable rental housing. Numbers 9 and 9 ½ Miller Street were already rental units, said Ms. Riddick, the Executive Director of HOME Corp, but they needed upgrades and improvements. Today these homes provide six units of affordable rental housing.



Miller Street Historic Homes
Photo Credit Donna Ann Harris

Building on those successes, HOME Corp renovated number 11 Miller Street as their next project. This was a single family home that was substantially rehabilitated and converted into an affordable family rental unit. The next project was number 15 Miller Street, a two unit rental building that also was upgraded. “Many of these houses were still cold water houses, lacking hot water heaters or central heating, even until the 1970s” said Ms. Riddick.

⁵ Interview with Beverly Riddick, Executive Director of HOME Corp, 21 July 2009.

⁶ <http://www.HOMECorp.org/about.html>.

12 Miller Street was acquired in 1997 and was a two family home. Essex County HOME funds were used along with bank financing. Ms. Riddick noted that there “was some back and forth with the local housing code officials about this property because of egress requirements from the third floor bedroom units in the two family dwelling.”⁷ “Our architect received good advice and cooperation from the city to resolve the code issues,” said Ms. Riddick. “We used a variety of financing for these projects, including conventional financing, and Essex County HOME funds. We have found DCA to be easy to work with, as well as the Essex County Division of Housing and Community Development.”⁸



Miller Street Historic Homes
Photo Credit Donna Ann Harris

The next and most complicated project was 17-27 Miller Street, a small Tudor Revival stucco rental building. This property was rehabilitated for rental housing using HMFA funding in 2000. “The HMFA funding included requirements that we abate all the lead inside of the building. This meant we had to bring all the walls down to the studs. Had we known how onerous and expensive this process would be, we would have thought harder about taking this funding, which made it longer and more than \$300,000 more expensive.”⁹ Essex County HOME funds were used along with traditional bank financing for this project. During construction, Ms. Riddick said, the architect found a horse collar and horse shoe, both remnants of earlier days along Miller Street.

14 Miller Street was acquired next in 2002-3 using conventional financing. This is a three family dwelling and the rehabilitation costs were approximately \$110,000 for the entire structure. All are affordable family rental units.¹⁰

Other houses on the street have also been renovated by HOME Corp. One investor, the Mueller

7 Riddick interview.

8 Ibid.

9 Ibid.

10 Riddick interview.

family, had owned 16 to 26 Miller Street for generations. One of HOME Corp's maintenance workers had struck up a relationship with the remaining Mueller family member, and was able to convince him that HOME Corp would do an excellent job rehabilitating this family's rental units, just as they had done on the rest of the block.¹¹ A deal was struck.

Among the Mueller houses, number 16 is the oldest house on the block and amongst the oldest in the Township. This one was donated to HOME Corp, and the rest were purchased from descendants of the Mueller family. Numbers 20-26 Miller Street cost less than \$100,000 each to buy, as the units had been rehabilitated once before. There were costs for paint and some systems replacement which cost approximately \$50,000 for each unit. For Numbers 24 and 26 Miller Street, the rehabilitation cost was slightly less at \$45,000 for each unit. Ms. Riddick said that renovation of Number 16 was completed in 2002.¹²

Early in its history, HOME Corp understood that Miller Street was a potential historic district and advocated for its designation. The homes along the street represent many distinct architectural styles in Montclair. As already mentioned 17-27 Miller is a Tudor Revival small apartment building and 16 Miller is a very early Greek Revival farmhouse (perhaps the oldest in the Township). Other homes in the district are handsome vernacular Italianate and Classical Revival single and multi-family dwellings.

HOME Corp has created along Miller Street a very wide range of affordable housing options:

- single family homes purchased by low income first time homebuyers;
- two family homes sold to moderate income owner occupants with an apartment rented to a low income family;
- small rental buildings with affordable apartments; and
- three family homes rented to low and very low income tenants.¹³

Number 10 Miller Street is the most recent HOME Corp project, and was vacant and in foreclosure when they acquired the property for \$97,000 in April of 2009. The contract for rehabilitation is \$116,000 and will be rehabilitated as a single family home. It is expected that this property when completed, will be sold to an income eligible first time home buyer for \$125,000.¹⁴

11 Ibid.

12 Ibid.

13 Ibid.

14 Ibid.

16 to 26 Miller Street were sold to income eligible first time homebuyers, said Ms. Riddick. “These houses cost between \$90,000 and \$110,000. Many are two family homes, which permits the low income home owner to rent an apartment unit to another income eligible low income tenant and gain rent to help pay their mortgage.”¹⁵

Rent up of any new property involves much paperwork. Prospective tenants already on HOME Corp’s waiting list are contacted about available units and asked to fill out an extensive application and provide income verification. Some units are easier to rent than others, says Ms. Riddick. “Most of our units are for low and moderate income tenants. Rental rates are set by COAH based on the region.”¹⁶ For a family of four the maximum income for low income family is \$34,375 and it is \$70,011 for a moderate income family under 2009 COAH guidelines.¹⁷

“Over 400 families are on the current waiting list for apartments, and 500 families are on the homeowner waiting list, testifying to the crushing need for affordable housing in Montclair.”¹⁸ Homeowners seeking to sell a property they purchased from HOME Corp must sell to another income qualified homeowner, and will realize a small percentage (4.47% for 2009) of any profits on the resale.¹⁹



Miller Street Historic Homes
Photo Credit Donna Ann Harris

15 Ibid.

16 Ibid.

17 <http://www.HOMECorp.org/pdfs/2009-income-limits2.pdf>, accessed on 31 July 2009.

18 Riddick interview.

19 <http://www.state.nj.us/dca/affiliates/coah/incomelimits.pdf>, accessed 9 August 2009.



Miller Street Historic Homes
Photo Credit Donna Ann Harris

HOME Corp is proud of its restoration work along Miller Street. Their web site notes, “An example of the impact HOME Corp has made in transforming a neighborhood is evident in the Miller Street Historic District where 100 percent of the units were restored by HOME Corp. Hundred-year old homes received new roofs and windows, fresh coats of paint and extensive upgrades to prepare them for the decades to come. As a result, the block is now a comfortable and stable environment for homeowner and rental families.”²⁰

HOME Corp continues to manage the rental properties on Miller Street that it developed. “These buildings need to be painted every four to six years, and we are considering alternate measures such as siding, if approved, to help with ongoing maintenance issues. We have yet to approach the historic preservation commission. We have found it difficult to try to find funds to help us maintain our historic buildings, and thus we are considering this alternative.”²¹

Community reaction to the Miller Street project at its start and as it evolved over the years has been positive. “There was a concern about crime and drug use in the area at the start of our work on the street. This has greatly changed, and the neighbors are generally pleased with our work.”²²

“While the reaction to affordable housing in the Township has been mixed, most would prefer that it be scattered throughout the Township rather than concentrated as it was for so long, on Miller Street and the surrounding neighborhood.”²³ The Township has held to its core values of diversity in both racial and economic terms, and embraced affordable housing here, says Ms. Riddick.

A review for the construction and rehabilitation is undertaken by the New Jersey Historic Preservation Office, because the block is part of a National Register Historic District. Ms. Riddick remarked “we have found them to be helpful to our architect for this project.”²⁰

20 Riddick interview.

21 Ibid

22 Ibid

23 Ibid.

“HOME Corp’s commitment to each project continues long after the restoration is completed. Its staff has taken a leadership role in a town-wide needs assessment to assure that the issue of affordable housing is not sidetracked. With real estate prices in Montclair as much as 25 percent higher than in surrounding communities, moderate- and low income families, many of whom are long-term Montclair residents, face elimination from the housing market. HOME Corp also sponsors a community garden and street fair on Miller Street, and offers counseling and support to prospective homebuyers and renters who are likely to stay in the community and work to improve neighborhood conditions.”²⁴

“HOME Corp is able to achieve its high measure of success because of the strong relationships it has formed with individual contributors, funders, churches and other Montclair-based organizations including Montclair Public Schools and the Montclair Police and Fire Departments. Major funding is received from TD Bank, JP Morgan/Chase, Bank of America, New Jersey Community Capital Corp., the Julius W. Foster Fund, The Montclair Foundation, The Sandy Hill Foundation, The Montclair Fund for Women, E. Franklin Robbins Charitable Trust, The Silver Family Foundation, The Whitehill Foundation, Kuhl Designs, The Rotary Club of Montclair, United Way of North Essex, the Montclair religious community, Montclair businesses, Montclair realtors and the Junior League of Montclair-Newark. Additional support is provided by the New Jersey Department of Community Affairs, Essex County Division of Housing and Community Development and the Township of Montclair.”²⁵

When asked if she would do this project again, Ms. Riddick answered with an enthusiastic yes. “Over the last 21 years we have provided decent affordable housing for over 320 people. These projects have had satisfactions, hardships and complications, but at the end of the day, we are providing permanent, affordable housing in a community that would not have it otherwise.”²⁶

24 Ibid

25 Ibid

26 Riddick interview.

43 GLENRIDGE AVENUE HOME Corp, Montclair NJ

The nonprofit affordable housing development organization, HOME Corp, is located in Montclair New Jersey, and has been working for more than twenty years to provide “safe, permanent, affordable homes in Montclair and to promote neighborhood development. As an organization, HOME Corp (Homes of Montclair Ecumenical Corp) seeks to strengthen the community’s foundation by assisting families who are largely disconnected from the robust housing market in Montclair.”²⁷

By the time that HOME Corp was able to acquire 43 Glenridge Avenue in 2004, it was a somewhat deteriorated six unit apartment building with two storefronts.²⁸ This property, on a commercial corridor, is a contributing building to the Pine Street Historic District, which is locally designated as an historic district and listed in the National Register of Historic Places.²⁹

“The Pine Street Historic District is significant as an intact working class neighborhood, with architecture ranging from vernacular style frame residences built in the 1880s to multi-story masonry buildings constructed during the first decade of the twentieth century to the late 1930s with Renaissance Revival, Italianate and Classical Revival influences.”³⁰ “43 Glenridge Avenue is one of the important surviving structures in this district as a “Renaissance Revival style three-story residential and commercial building.”³¹



43 Glenridge Avenue
Photo credit Donna Ann Harris

27 <http://www.HOMECorp.org/about.html>.

28 <http://www.montclairnjusa.org/content/category/19/139/319/>, Interview with Beverly Riddick, Executive Director of HOME Corp, 21 July 2009.

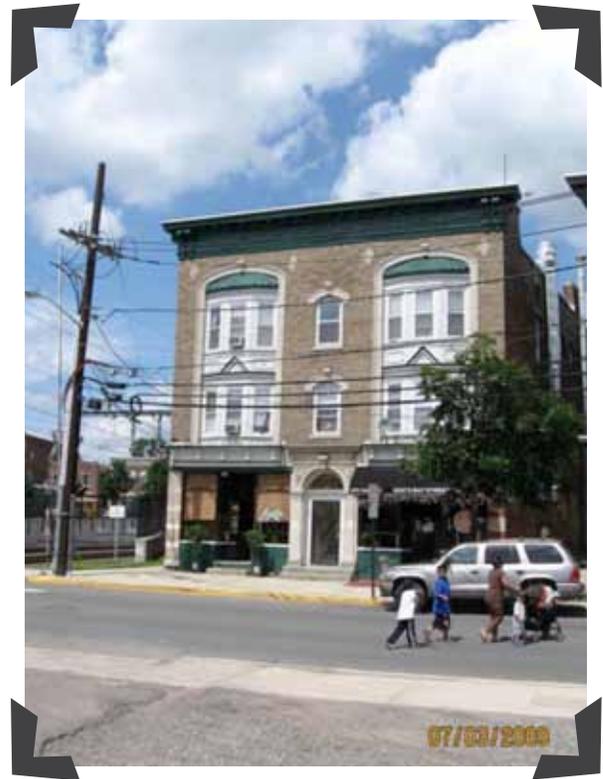
29 <http://www.state.nj.us/dep/hpo/1identify/lists/essex.pdf>, page 8, accessed 15 August 2009.

30 <http://www.montclairnjusa.org/content/category/19/139/319/>

31 Ibid.

While the neighborhood had always had working class roots, it was also subject to gentrification because of its location adjacent to the recently opened New Jersey Transit Midtown Direct train line. A New York Times article spoke about the impact of the new train line on the neighborhood.

“Perhaps the one pivotal event that brought the affordable housing crisis to the forefront was the construction of the Montclair Connection – a rail link through a historically affordable neighborhood which provided a direct ride to Midtown Manhattan. This regional transportation project raised property values both in the immediate neighborhood and in the entire community. In fact, a rise in property values has occurred in most communities that received Midtown Direct service.” This event, coupled with a strong surge in the regional real estate market, raised awareness of the very real loss of affordable rentals and the potential for even greater loss if the problem was not seriously addressed. The Township Council embarked on a major housing initiative in 2003.³²



43 Glenridge Avenue
Photo credit Donna Ann Harris

Not only was 43 Glenridge Avenue located in a new historic district that was subject to development pressure, but the property itself had also been acquired by the transportation agency during the planning phase for the expansion of the tracks for the new Midtown Direct route. 43 Glenridge Avenue was owned by New Jersey Transit for several years before the agency decided that it did not need the land for track expansion and sought to sell it on the open market. The Township of Montclair stepped in to purchase the property for its fair market value, at the time valued at \$450,000. The Township’s intent was to turn it over to HOME Corp to rehabilitate for low and moderate income housing, said Beverly Riddick, the Executive Director of HOME Corp.

32 <http://www.nj.gov/dca/affiliates/coah/reports/petitions/0713a.pdf>.

This neighborhood, because of its central location, had by that time been designated as an “Area in Need of Rehabilitation” by the Township under the New Jersey Local Redevelopment and Housing Law provisions.²⁹ “The designation empowers the Township to establish an incentive-based package for property owners to maintain or create affordable housing within the rehabilitation area. Potential incentives include tax exemptions and access to municipal Regional Contribution Agreement (RCA) money for eligible residents and property owners.”³³ Rehabilitation of 43 Glenridge Avenue fit into this overall objective to preserve existing moderate income apartments and create new ones in the neighborhood.

43 Glenridge Avenue is a small but sturdy limestone-fronted mixed use building with a central entry doorway into the apartments. Each of the apartments needed upgrades, said Ms. Riddick. “We spent about \$45,000 a unit and replaced some systems, bathrooms and kitchens. We put a coin operated laundry in the basement for residents. We power washed the limestone façade, and did a little tuck pointing, but otherwise the exterior of this building needed very little work to improve its appearance.”³⁴

Since the apartments were not substantially rehabilitated, there was no need to abate all the lead paint in the apartments by stripping the doors and trim down to bare wood. Instead, said Ms. Riddick, “We were permitted to lead test each unit by an independent contractor.”³⁶ The two storefronts were also rehabilitated. “When we acquired the building there was already a coffee shop in one of the storefronts, but the other one was vacant. We rented the vacant storefront to a beauty salon, and now there is a different café.” Both retail tenants did a lot of work on their stores, said Ms. Riddick. HOME Corp charges market-based rent for these stores to offset some of the operating costs for the building as a whole. Today, both Gigi’s Deli and Togetha Salon have a steady stream of customers all day.

Financing for this project came from a variety of sources, as is the case for most of HOME Corp’s affordable housing projects. “Essex County provided us with \$150,000 of federal HOME funds. Montclair Township also provided \$80,000 in general revenue funds as well. We worked out a deal where we would repay half the loan if we maintained the apartments for low and moderate income residents for fifteen years.”³⁷

“At the time we acquired the building, the rents in the property were not market rate anyway so there was no specific reaction by the community to the use of this building for affordable

33 http://www.smartgrowthgateway.org/case_montclair.shtml.

34 Ibid.

34 Ibid.

36 Ibid.

37 Riddick interview.

housing,” said Ms. Riddick. Four of the apartments are reserved for low-income residents, and the other two for moderate income tenants. Rental rates are set by COAH based on the region. For a family of four, the maximum income for low-income families is \$43,757 and \$70,011 for moderate-income families under the 2009 COAH guidelines.³⁸

Prospective tenants already on HOMECorp’s waiting lists are contacted about available units in this building or any of the 43 other properties that HOMECorp owns and manages. Waiting list clients are asked to fill out an extensive application and provide income verification. Ms. Riddick noted, “We still have many families needing affordable housing in Montclair.”³⁹



43 Glenridge Avenue
Photo credit Donna Ann Harris

38 <http://www.HOMECorp.org/pdfs/2009-income-limits2.pdf>, accessed on 31 July 2009.

39 Riddick interview, <http://www.homecorp.org/about.html>.

BARTLES HOUSE

Tewksbury Township

Jesse Landon is the Township Administrator for Tewksbury Township in Hunterdon County and calls himself a preservationist. He has served on his hometown's Historic Preservation Commission for several years. In his role as the Township Administrator he has been able to meld his twin commitments to providing quality affordable housing and historic preservation into one package by working to renovate the historic Bartles House for three apartments for low income residents.



Bartles House
Photo credit Jesse Landon

The reuse of this handsome and now beautifully restored Greek Revival home for this new use as affordable housing is in partial fulfillment of the Township's Council on Affordable Housing (COAH) obligation and follows the oft-repeated historic preservation mantra: "the best use is the original use." By using an historic property for its original use, whether it is a home, factory, church or school, the original architectural fabric is maintained and reused for generations or even centuries to come. Additionally, at a time when there is so much concern about sustainable building practices, and as we strive to reduce our carbon footprint or recycle building materials, re-use of existing buildings makes good sense and yields both environmental and social benefits. And in this case, the reuse of the Bartles House fulfills yet another historic preservation mantra: "the greenest building is the one that is already built."

The reuse of the Bartles House as affordable housing was not a foregone conclusion. Township officials considered but rejected turning the property into public space for a museum or other place of public assembly, said Mr. Landon. "The renovation costs were too large for this kind of use in such a small home."⁴⁰

The Bartles House had deteriorated since it was purchased by the Township, and much of the interior needed significant investment in cosmetic improvements as well as replacement of

⁴⁰ Interview with Jesse Landon, Township Administrator, Tewkesbury Township, 12 August 2009.

building systems. Portions of the exterior wood clapboard were replaced in kind to meet the Secretary of the Interior’s Standards for Rehabilitation, because the property is currently listed on the National Register of Historic Places.⁴¹ There are new double hung wood windows throughout. The central porch, long removed from the property, was restored. Daylight floods into the apartments as there is exposure on all four sides of the house. The house is set back slightly from the road on a small rise, amidst a lawn that gives the property a park-like setting.



Bartles House
Photo credit Jesse Landon

The cost to rehabilitate the house for these apartments was \$670,000 and “we were pleased with that price when we bid the job out, expecting it to be higher” said Mr. Landon. The use of the property for public housing required that the asbestos and the lead paint be abated. All of the original interior door and window casings, trim, fireplace mantels, painted floors and stair treads were stripped to bare wood and reused. Mr. Landon noted that doors that could be repaired were left to be reused. The beautiful walnut handrail and newel post remain and were restored along with the slender original banister stair railings.



Bartles House
Photo credit Jesse Landon

The kitchens have pleasant wood cabinets that blend with the fine and newly restored pumpkin pine floors. Each apartment kitchen has a microwave oven, electric stove, a dishwasher, side by side refrigerator with

41 <http://www.state.nj.us/dep/hpo/1identify/lists/hunterdon.pdf>, page 11, accessed 15 August 2009.



Bartles House
Photo credit Jesse Landon



Bartles House
Photo credit Jesse Landon

icemaker and ample dish and food storage. There is also a stackable washer/drier combination in each apartment. The tile bath is all white with a pedestal sink.

The Bartles House has been subdivided into two, one bedroom apartments on the first floor, and another one bedroom apartment on the second floor. All three of these apartments are income-restricted. One of the units is designated for a very low income senior (\$21,021 yearly gross income for one person), the other two apartments for low income seniors (\$35,035 yearly gross income for one person) according to the 2009 regional income guidelines from the Council on Affordable Housing.⁴²

Mr. Landon noted that since Tewkesbury is in a “rural portion of Hunterdon County, there is little public transit. Any resident would need a car. Even though the property is remote, there seemed to be no trouble finding income qualified tenants. We even have a waiting list now, which we can use when the new COAH senior apartments are completed next year.”⁴³

The renovation of the Bartles House was supervised by The Martinson Group LLC, an architectural firm based in Easton PA that has longstanding architecture and historic preservation credentials. The general contractors A.B. Design of Summit, NJ also came highly recommended. “Both firms, our architect and general contractor, did fine work for us.”⁴⁴

The Bartles House is on the edge of an old fifty acre farm that was acquired by the Township more than ten years ago.⁴⁵ In purchasing this property, the Tewksbury Township Committee was thinking ahead about future community needs. Today the farm is the location of a new firehouse for the Oldwick Fire Department and a wastewater treatment facility. But the bulk of the land

42 <http://www.state.nj.us/dca/affiliates/coah/reports/incomelimits.pdf>, accessed 15 August 2009.

43 Landon interview.

44 Ibid.

45 Ibid.

will be used for the Township's state mandated affordable housing obligations, according to Mr. Landon.

Two other sites on the farm are reserved for affordable housing use. One site with eighteen units was built and managed by the nonprofit organization United Cerebral Palsy (UCP). This facility is owned and managed by UCP and provides housing for persons with disabilities.

Another site on the property is now in design development for 15 new affordable housing apartments for seniors. NORWESCAP (Northwest New Jersey Community Action Program) is completing their financing package in 2009 and infrastructure has been being installed. This new development is being designed by The Martinson Group of Easton, PA.

The Bartles House project did not use any grants or outside financing. Funds to purchase the farm, which cost several million dollars ten years ago, came from Tewksbury Township general revenue funds. Funding was set aside in 2006 for stabilization and architectural review of the Bartles House for exterior restoration and potential use as COAH apartments from the Township general revenue funds.⁴⁶ The first tenants moved into the Bartles House in summer 2009.

This project, while not yet complete, has already won awards from the New Jersey State Planning Officials in 2007 for site planning.

In March 2009, the Hunterdon County Planning Award went to Tewksbury Township government for its overall plan for the Bartles site, including the new firehouse, renovated farmhouse and affordable housing for the property just south of Oldwick.⁴⁷

With the success of the Bartles House senior housing project, Mr. Landon has been trying to convince others in his hometown to consider using two of their underutilized historic houses for affordable housing. The Bartles House is a superb example of putting an underutilized historic building to good use for affordable housing purposes.



Bartles House
Photo credit Jesse Landon

46 <http://www.tewksburytp.net/vertical/Sites/%7BD2ADF135-51CB-4C37-AD05-8AC7E1898ECD%7D/uploads/%7BD11300BE-7D2C-4E20-BB58-FFD8AB81CE4A%7D.DOC>

47 http://www.nj.com/hunterdon-county-democrat/index.ssf/2009/04/hunterdon_county_planning_desi.html.

BROAD STREET BANK Trenton NJ

Taneshia Nash Laird is a determined person. As the Executive Director of the Trenton Downtown Association (TDA), she intuitively understood what 124 newly renovated, mixed income apartments in a handsome historic building could do to help continue the commercial revitalization work already in progress in downtown Trenton. But after the beautifully renovated Broad Street Bank building had been open for three months and only six tenants had moved in, the Trenton Downtown Association (TDA), the nonprofit manager of the special improvement district was asked by then-Mayor of Trenton Douglas H. Palmer to step in to provide marketing support to the developer. The State, City and Trenton Downtown Association, all key players in the on-going renaissance of this historic capital city, played a role in seeing this very important project through to completion.

In 2005 Bayville Holdings LLC Partner George Fakiris purchased the Broad Street Bank from the private owner who had long permitted the property to deteriorate and sit vacant. In fact, the property was of such significance and concern that it had been listed as one of the Ten Most Endangered Historic Places by Preservation New Jersey.

The first portion of the Broad Street Bank was completed in 1900 as an elegant banking and office center, the city's first "modern" skyscraper and symbol of the optimism in the city's future.⁴⁸ Built in stages, it had a 12-story addition that was completed in 1913 and another eight-story addition in 1923. The entire building is 145,000 square feet in the heart of Trenton's downtown historic district at East State, South Montgomery and South Broad Streets.⁴⁹

According to the documentation on the history of the building, "the additions use architectural details from the original structure so the entire building appears as one cohesive design. The building remains the only example of early 20th century New York School skyscraper architecture in Trenton, as well as the only example in the downtown of French Renaissance architecture."⁵⁰

Rehabilitation began in 2005. Bayville Holdings LLC eventually spent \$30 million to renovate the property into 124 apartments and 12,900 square feet of ground-floor retail and office space.⁵¹

48 <http://www.azobuild.com/news.asp?newsID=5431>.

49 <http://www.trenton-downtown.com/tdablog/entry?id=27;fa=3>.

50 Ibid.

51 <http://www.trenton-downtown.com/tdablog/entry?id=27;fa=3>.



Broad Street Bank
Photo credit Ron Emrich

The developers wished to turn an eyesore into a model of adaptive use, historic preservation, and sustainable, green redevelopment.⁵²

Bayville's Fakiris was also seeking LEED certification for the project and added energy efficient lighting fixtures, appliances, and heat and cooling systems to lower utility bills for tenants. "There is a lot of history behind this building. The building is beautiful. We have spent over \$30 million to make it a green building and even more beautiful and sustainable."⁵³ Mayor Douglas H. Palmer also noted that the Broad Street Bank serves as a model of green building consistent with his "Trenton Green" initiative.⁵⁴

Like many developers, Bayville sought subsidies from the city and came to know Ms. Laird then in her role as the Director of Economic Development for the City of Trenton. Bayville Holdings LLC is a Long Island, NY firm, known for its mixed-use projects in the NYC area.

Financing for this project was very complex. Tax credits from various entities were granted including the Low Income Housing Tax Credit (LIHTC), a competitive process administered by

⁵² <http://www.broadstreetbank.com/news/view?>

⁵³ Ibid.

⁵⁴ Ibid.

⁵⁵ <http://blog.nj.com/timesupdates/2007/04/19/>.

the Housing Mortgage Finance Agency (HMFA) in Trenton NJ. Other financing from HMFA placed caps on the incomes on the market rate tenants. The property was placed on the National Register of Historic Places by the developers because they successfully sought the [Historic] 20% Investment Tax Credit for Rehabilitation (ITC) as part of the equity for the project. All of the tax credits were syndicated and sold to investors. The developers petitioned the City of Trenton to offer payment in lieu of taxes (PILOT) for 30 years, which was a requirement of the HMFA financing, said Ms. Laird. Finally, the property sought tax exempt bond financing which required that the property be mixed income, thus 20% of the units would be dedicated for low income persons (defined as gross income less than 50% of the area median income).

Parking for the building was problematic. The site could not accommodate a garage and a small surface parking lot was insufficient for the required number of parking spots based on the zoning for the site, according to Ms. Laird. Eventually the developer worked out an arrangement with the Trenton Parking Authority to allocate 78 spaces in a state-owned parking garage for the Broad Street Bank tenants, for a significant monthly payment. The deal was essentially a parking space swap where “the state Department of Treasury would lease 78 spaces for tenants’ use in the parking garage on Front and Montgomery streets. The Trenton Parking Authority would provide the state with the same number of spaces at its garage on Broad and Front Streets.”⁵⁵

There were several delays in opening the building. When the construction was completed in March 2008 and rent up was going slowly, Ms. Laird again became involved with this project, this time in her new role as Executive Director of the Trenton Downtown Association. Mr. Fakiris said in a newspaper article about the project that “a previous real estate agent estimated that the building lost 60 tenants due to delays in opening. Some of the delays occurred during negotiations to allow residents to park in a garage across South Montgomery Street.”⁵⁶

Part of the reason that the rent up began slowly was because of requirements by HMFA that no tenant could make more than six times their rent. So for a tenant in a \$1000 a month apartment, the gross income for the household living in the apartment could not be more than \$72,000. “While this is not a modest amount of money, many two income families working in Trenton made too much money and therefore could not rent here. And many people were put off by the income certification process, which requires a great deal of paperwork. We believed there was general misunderstanding about how many of the units were dedicated to low income renters, so that is why we felt we had to reposition the property in the market place.”⁵⁷

Seeing the difficulties in finding qualified tenants, the Trenton Downtown Association petitioned

56 http://www.nj.com/mercer/index.ssf/2008/04/city_touts_new_use_for_histori.html.

57 Interview with Taneshia Nash Laird, Executive Director of Trenton Downtown Association, 23 August 2009.

58 <http://www.nj.com/news/times/regional/index.ssf?/base/news-17/1250574313325210.xml&coll=5>.

59 Ibid.

60 <http://www.trenton-downtown.com/tdablog/entry?id=28;fa=3>.

the HMFA to remove the income caps, and was successful in April of 2009. “A change in regulations by the House and Mortgage Finance Agency, which helped with the building’s mortgage, spurred rentals by removing income limits on tenants in most of the units.”⁵⁸ “The HMFA believed from the start that a building with mixed market-rate and affordable units, as well as commercial spaces on the first floor, would do well in downtown Trenton,” agency executive director Marge Della Vecchia said.⁵⁹ This change seems to have made a difference, as more than 100 apartments had been rented as of August 2009.

As part of their marketing effort, the downtown association developed a web site for the property, www.broadstreetbank.com, a new tag line, “luxury living in a landmark location,” and hosted a major ribbon cutting ceremony on April 15, 2008 to kick off their marketing push. An article in the Trenton Times about the ribbon cutting noted that “historic preservation and urban revitalization advocates were among the 150 celebrants along with city and state officials and business and community leaders who came to see the apartments. Following the remarks and ribbon cutting ceremony there were tours of the building’s energy efficient apartments, including a model unit decorated by architect/designer Gordon Goode.⁶⁰ Ms. Laird said “we promoted this building to state workers, faculty and staff at area colleges, and doctors and other workers in local hospitals. We used key words in Google searches, online ads in the Village Voice, banners and brochures, along with the web site to promote this property. We spent about eight or nine thousand dollars between staff time and materials. Our marketing helped to fill both the market rate and low income apartments.”

The development project has an affordable housing component, where twenty percent of the apartments are reserved for working families, “who are sprinkled through the building” said Ms. Laird. The 124 apartments are a mix of one and two bedroom units, all stylishly fitted out with hardwood floors, oversized windows, high ceilings, private, off-street parking, energy efficient appliances, a tenant-only exercise room with lockers, and a 4,000-square-foot, resident-only roof terrace garden that offers spectacular views of the Trenton skyline. One of the office tenants is NJ Public Information Research Group and the developer is actively courting a restaurant tenant for its largest retail space.⁶¹

“When the history is written about downtown Trenton’s revitalization, the redevelopment of the Broad Street Bank building will be cited as one of the key transformative moments,” said Taneshia Nash Laird. “As a development marketing consultant for the Broad Street Bank building, the TDA is pleased to be a part of downtown Trenton history in the making.”⁶²

61 <http://www.trenton-downtown.com/tdablog/entry?id=28;fa=3>.

62 <http://www.azobuild.com/news.asp?newsID=5431>.

COLONIAL BUILDING MEND Inc.

The “circle of life” is an often-used expression to describe the arch of one’s career, but seldom can this expression apply to both a tenant and a developer of an affordable housing project.

As a young man right out of Fordham University, Matt Reilly signed on to work with a then-fledgling organization called The New Community Corporation, a nonprofit housing developer in Newark’s Central Ward.⁶³ After 12 years as their Director of Real Estate Development, and through hundreds of deals that created more than 1000 units of affordable housing in Newark, Matt left for a career as a banker and commercial lender with a series of local and regional banking corporations. As his career progressed, however, he began to feel the pull back to his roots as an affordable housing developer. First, he became Senior Real Estate Credit Officer for Community Development Lending at the former First Fidelity/First Union Bank.⁶⁴ Several years later he began speaking with MEND Inc., the Moorestown Ecumenical Neighborhood Development Corporation about their operation, and eventually became their President and CEO in 2001. The circle of life had brought Matt, this time, to a faith-based organization concerned about workforce housing near his home in Burlington County, New Jersey.



Colonial Building
Photo credit Robert J. Laramie

One of the deals in the works at MEND when Matt arrived was the rehabilitation of the Colonial Building in Delanco, a sturdy red brick building on the edge of the commercial heart of this old river town in Burlington County. The Colonial Building was built in the early years of the 1900s in the Classical Revival style, and the building retains many of its historic features, including a bold pediment with the building’s name inscribed across the fascia, and an original and handsome columned entrance portico. It is not listed on the National Register or on any local landmark list. While the building was located on the main commercial thoroughfare in Delanco,

63 Interview Matthew Reilly, 31 July 2009, MEND Biography Matthew A. Reilly.

64 MEND Biography of Matthew Reilly.

it had been partially vacant and underutilized for many years. When MEND encountered the building, it contained only one residential tenant, and a small tailor shop.⁶⁵ The organization planned to convert the complex and an adjacent lot into nine units of affordable housing with one commercial space, a popular coffee shop called Carmen's Café Europa.⁶⁶

This property is but one of thirty residential affordable housing sites that MEND has developed over the last 40 years. The organization's mission is to "expand and maintain the supply of decent, safe, affordable workforce housing for low and moderate income individuals and families, including the elderly and the handicapped."⁶⁷ Founded in 1969 by nine Moorestown churches, today MEND is a nonsectarian certified Community Housing Development Organization with a professional staff of ten.⁶⁸ The nonprofit organization "develops, finances, owns, builds, manages and maintains affordable rental housing that reflects the organization's commitment to excellence."⁶⁹ Five of MEND's At-Large Trustees are residents of MEND-owned properties.⁷⁰

MEND has constructed and manages new apartments on green-field sites, infill apartments on scattered sites in existing neighborhoods, substantially rehabilitated older buildings and preserved historic structures as part of their mission.⁷¹ The organization has converted former schools, firehouses and police stations into housing, which spur revitalization of nearby residential and commercial districts. About a third of the projects completed by MEND have been created for seniors.⁷² All told, the MEND housing units are home to more than 800 residents.



Colonial Building
Photo credit MEND Inc.

Over the years MEND has expanded beyond Moorestown, and created affordable housing in Delanco and Evesham Townships, and is now working on projects in Medford, Southampton, Pemberton--all in Burlington County--and has expanded into Deptford Township, located in Gloucester County. In all locations, these projects assist municipalities to meet their State mandated Council on Affordable Housing (COAH) fair share housing obligations.⁷³

65 Reilly interview.

66 MEND, Inc, Delanco Township Affordable Housing Development Summary and Background Information.

67 "Celebrating 40 years of accomplishments in affordable workforce housing" MEND brochure 2009.

68 Reilly interview.

69 Ibid.

70 Reilly, Matthew, "MEND Pursues Transit-Oriented Housing Development Strategy," Cascade newsletter, Federal Reserve Bank of Philadelphia, Community Affairs Department publication, 2004.

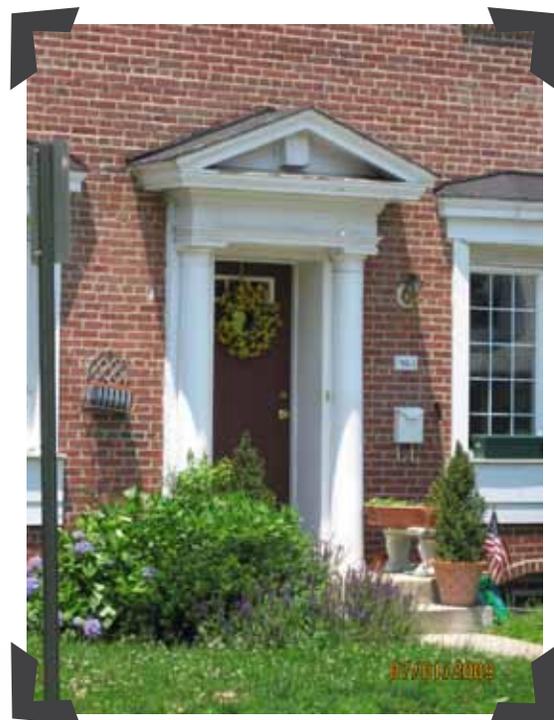
71 MEND History and Overview, July 2009.

72 MEND Affordable Housing Experience Profile, July 2009.

73 Ibid.

The Delanco project had many components, including the rehabilitation of the old Colonial Building, the conversion of an addition into a commercial restaurant space, and construction of two new townhouses. This property is located on a busy commercial thoroughfare, and is close to the commercial core of Delanco. Its conversion from a predominantly commercial building into a residential use with only one commercial space was supported by the municipality, because it helped the municipality meet their State mandated fair share of affordable housing, and upgraded a commercial space for what has become a well-regarded local eatery. This project was similar in use to many other properties along this portion of Burlington Avenue, and reinforces many of New Jersey's Smart Growth principles because it is located only a quarter mile from the New Jersey Transit light rail station in Delanco for the River Line.⁷⁴ The rehabilitation of the Colonial Building in Delanco is one part of the commercial revitalization effort in this city.

As a faith-based housing developer, MEND seeks partnerships with municipalities to develop decent housing for low and very low income tenants and home ownership opportunities for low and moderate income owner-occupants.⁷⁵ These partnerships often result when Burlington County municipalities identify surplus buildings owned by government or others that lend themselves to conversion for apartments. MEND also seeks to work with for-profit developers as joint partners to create more affordable housing in the area. This is how MEND became involved with the Colonial Building in Delanco. The municipality brokered a partnership between Delanco Renaissance LLC, Russ Farm LLC and developer John Rahenkamp, with MEND, to create affordable apartments to meet the Township's fair share housing needs.⁷⁶



Colonial Building
Photo credit Donna Ann Harris

Each unit in the Colonial Building project

⁷⁴ Ibid.

⁷⁵ MEND Background information on Delanco project, 708 Burlington Avenue.

⁷⁶ "Moorestown group dedicates 10 housing units in Delanco," Burlington County Times, 18 May 2003, B1.

gave the Township two COAH credits toward the municipality's then second round COAH obligations.⁷⁷ The properties involved included the old Colonial Building at 708 Burlington Avenue (7 apartments, 1 commercial space), 309-11 Holly Court (2 townhouse apartments) and 101 Creek Road (200 Russ Farm Way, one single family home). All of the apartments were income restricted. The financing required that five of the units be leased to very low income families (whose incomes were at or less than 50% of the HUD median income for the area). The remaining apartments are leased to low income families or individuals whose incomes were between 50% and 80% of the area median income.⁷⁸



Colonial Building
Photo credit Donna Ann Harris

There are covenants on the deed that require that the apartments remain income restricted for thirty years.⁷⁹ The coffee shop had an initial lease of five years with several renewal options and pays a market based rent.⁸⁰

The Colonial Building project cost over one million dollars and was funded from a variety of sources. The for-profit developer contributed \$400,000 to the Delanco Affordable Housing Trust Fund and deeded the property to MEND. Burlington County contributed \$526,153 from the County's federal HOME funds for this project. A commercial mortgage of \$135,000 was obtained from TD Bank. The County contribution was a 20 year loan with no interest or principal payments due until maturity, which could be extended by mutual agreement. The Township's contribution from their Affordable Housing Trust Fund was a \$400,000 grant to the project. The commercial loan from TD Bank has a 25 year term at a fixed rate of eight percent (8%).

A successful project from the start, all of the units have been fully leased since closing in early 2003. The one residential tenant in the Colonial Building before the renovation chose to return to the property after the conversion and stayed for several years. Thus the "circle of life" continues.⁸¹

77 Final Closing Memorandum, March 2, 2003, Delanco Renaissance Loan Closing for MEND.

78 Ibid.

79 Ibid.

80 Ibid.

81 Reilly interview.

MONTCLAIR INN

Montclair Shared Housing Association Inc., Montclair NJ

The Montclair Inn provides affordable shared housing opportunities for 22 single seniors who live independently in this handsome Second Empire home in an historic district only three blocks from the Church Street commercial district in Montclair.

In 1990, Rev. Lee Barker, then pastor of the Unitarian Universalist Church in Montclair, issued a challenge to the members of his congregation.⁸² He noted that many elderly or widowed members were moving away from the community as they could no longer afford to live in Montclair, where they had spent their lifetimes raising families and contributing to community life. He was convinced that the members of his congregation would agree to help and identify a way to permit seniors from other houses of worship and the general community to remain in Montclair.⁸³ A small band of volunteers stepped forward to begin to study this issue through a formal needs assessment.⁸⁴ New committee members were added to this small group from other churches in the area, and the Montclair Shared Housing Association was incorporated in late 1990 to spearhead a new type of senior housing in Montclair.



Montclair Inn
Photo credit Donna Ann Harris

The Montclair Shared Housing Association Board of Directors, still working as an all-volunteer operation, began to search for an appropriate location. Marcy Sullivan, the Executive Director of the Montclair Shared Housing Association, explained “We were trying to find a building that was affordable in town to accommodate the needs of our seniors. It was clear that we would end up

⁸² Interview with Marcy Sullivan, Executive Director of Montclair Shared Housing Association Inc., 22 July 2009.

⁸³ Ibid.

⁸⁴ Ibid.

with an existing building, because there was so little land in Montclair to build a new building for this purpose.”⁸⁵

Ms. Sullivan went on to note, “In the spring of 1991 we had heard rumors that the Montclair Inn was going on the market. Three generations of the family had lived in the home and they were fearful that a developer might purchase the property and tear down the historic building because the site had a very valuable adjacent lot that had never been developed.”⁸⁶



Montclair Inn
Photo credit Donna Ann Harris

“The Montclair Inn began life as a resort hotel in 1855, and subsequently was used as the Hillside Seminary for Young Ladies in the 19th Century, and had become a boarding house of shady repute,” according to the Montclair Share Housing Association website.⁸⁷ The house is a large, wood clapboard-covered Second Empire style structure with a 1900 Neo-Classical addition on the front.⁸⁸ The structure retains its handsome slate mansard roof, and much of its original integrity on the exterior.

The property, located in the midst of a lovely residential historic district, is only three blocks from the Church Street shopping district. Due to its convenient location, the Montclair Inn seemed like a real prospect for the shared housing association’s project, because it has been used as a transient hotel most recently and could be rehabilitated for a new use.

The association board president approached the Inn’s owner, who was impressed with the mission of the organization, according to Ms. Sullivan. This use was appealing to the owner, because it would also maintain and preserve his family’s home for a new generation of Montclair residents who would live together, sharing meals and enjoying life together. The owner was willing to sell the property to the new nonprofit at slightly less than the assessed value, and a deal for \$500,000 was consummated in October of 1991.

While the property was in acceptable condition, many improvements were needed to convert the building for use as shared housing. According to the National Shared Housing Resource Center, “shared living residences involve a number of people living cooperatively as an unrelated

85 Ibid.

86 Ibid.

87 <http://www.njht.org/dca/njht/funded/sitedetails/montclairinn.html>, and <http://www.montclairinn.org/Montclair%20Inn's%20Past.htm>, accessed 31 July 2009.

88 <http://www.njht.org/dca/njht/funded/sitedetails/montclairinn.html>, accessed 31 July 2009.

family in a large dwelling.”⁸⁹ The Montclair Inn seemed perfect for a shared living residence or congregate housing. Congregate housing is similar to independent living except that it usually provides convenience or supportive services like meals, housekeeping, and transportation in addition to rental housing.⁹⁰ The Montclair Inn, because it provides meals, social services, housekeeping and the like, would be categorized as congregate housing.

Like hundreds of other shared living residences around the country, the “Montclair Inn assists seniors to remain independent and keep housing costs within their budget. Additionally shared housing offers companionship, affordable housing, security and mutual support. This kind of housing also preserves neighborhoods, creates affordable housing and saves housing and healthcare dollars.”⁹¹ The marketing materials for the Montclair Inn note that it is “a gracious living environment for 22 single seniors over the age of 62 who meet prescribed income requirements and who are physically and mentally able to live independently and manage their daily living activities.”⁹²

The Montclair Inn provides a private bedroom for each resident, and a group kitchen and cheerful dining room where three meals a day are prepared and served. There are other common rooms on the first floor. The association markets itself as offering “comfort, convenience and charm.”⁹³ The facility offers regular outside activities, access to social workers who can assist seniors with medical, financial and other services, said Ms. Sullivan. The Association is non-sectarian, and offers rentals with “no bias: gender, race or religion.”⁹⁴

The location in the center of Montclair offers residents access to the Montclair Art Museum, the local library and theaters. “Inn residents enjoy various forms of entertainment, such as guest speakers, local musicians, workshops, presentations and exhibits by local artists. Poetry workshops with a visiting local poet provide intellectual stimulation.”⁹⁵ Outings and activities provide the residents with opportunities to interact and continue to take part in the community they love.

Herb Githens, a local preservation architect, was engaged to help convert the Montclair Inn for its new use.⁹⁶ A no interest loan from the Township of Montclair helped pay for startup assessment and the renovation plans for the project.⁹⁷ Construction began in the fall of 1991 and took about two and a half years to complete, according to Ms. Sullivan.

89 <http://www.nationalsharedhousing.org/index.html>, accessed 31 July 2009.

90 <http://www.senior-community.net/congregate-housing.htm>, accessed 31 July 2009.

91 Ibid.

92 <http://www.montclairinn.org/index.htm>, accessed 31 July 2009.

93 <http://www.montclairinn.org/Montclair%20Inn's%20Past.htm>, accessed 31 July 2009.

94 <http://www.montclairinn.org/Rentals.htm>, accessed 31 July 2009.

95 <http://www.montclairinn.org/programs.htm>, accessed 31 July 2009.

96 Sullivan interview.

97 Sullivan interview.

The property needed considerable work on the interior where corridors were widened to accommodate wheelchairs, and all new systems (HVAC) were installed including new life/safety systems. Stairs were widened and reconstructed, and abatement of lead and asbestos undertaken. All the bathrooms were remodeled to accommodate handicapped users, and a new kitchen was installed. The construction cost was nearly \$1.3 million, said Ms. Sullivan.

Because the property was in an historic district, there was a consultation with the New Jersey Historic Preservation Office, where “we received some very good suggestions about how to preserve the integrity of the property. They were mostly concerned with the decorative details, especially the leaded glass windows. We were permitted to put in a storm/screen combo, and we were able to get funding from the New Jersey Historic Trust.”⁹⁸ An award of \$86,432 was made in 1996 from the New Jersey Historic Preservation Bond Program for exterior rehabilitation of the building, including repairs to the slate mansard roof, cornices, gutters, and wood sheathing, installation of storm windows and repainting the building in an historic color scheme.”⁹⁹

The front of the building remains remarkably intact, except for the addition of a handicapped ramp. “The SHPO office suggested that this ramp be placed on the side of the



Montclair Inn Historic Photo
Credit Montclair Shared Housing Association

⁹⁸ Sullivan interview.

⁹⁹ <http://www.njht.org/dca/njht/funded/sitedetails/montclairinn.html>, accessed 31 July 2009.



Montclair Inn
Photo credit Donna Ann Harris

building, which we felt was doable. We were fortunate to have Herb Githens, who knew all about the various Standards and made this project easy for us.”¹⁰⁰

The project was financed through a variety of public programs. The first loans came from Essex County HOME program and a conventional loan from the Montclair Savings Bank. Other financing was obtained from the Federal Home Loan Bank. Another Essex County HOME loan was obtained, which eventually was replaced with a permanent mortgage from Valley National Bank, thus saving the project over \$360,000 in interest payments, according to Ms. Sullivan.

The Association is completely tax exempt, paying no property tax or payment in lieu of taxes to the Township. Planning approvals were swift from the local planning board, said Ms. Sullivan. An elevator was installed in the rear of the property which necessitated removal of an older tree, said Ms. Sullivan. “The Planning Board requested that we replace the tree with a new one, which we did.”¹⁰¹

100 Ibid.

101 Sullivan interview.

The costs to run the Montclair Inn are far more than the rentals from the residents and any subsidies received. About 20% of the annual budget of \$320,000 yearly must be raised from other sources, such as local foundations, banks, and a core group of individuals, new people and traditional fundraising events by the association's board members. "We try to raise about \$75,000 yearly because there are always repair needs for an historic building. This year we are making improvements to the kitchen."¹⁰²

"We have been so fortunate to have the support of the neighbors for this project. There has been no 'not in my backyard' sentiment at all. We feel we have upgraded the neighborhood and our residents always provide eyes on the street, adding to everyone's safety."¹⁰³

Today the Montclair Inn seniors live in a gracious building at affordable rents.¹⁰⁴ Rental rates are from \$1150 to \$1350 a month and include all meals and amenities.¹⁰⁵ There are no entrance fees or "buy in" charges.¹⁰⁶ Of the 22 rooms, 17 are income restricted to low or very low income adults over 62 as defined by the New Jersey Council on Affordable Housing (COAH) guidelines.¹⁰⁷ Yearly adjustments are made to eligible incomes and the 2009 COAH regional income limits were \$18,378 for very low and \$30,630 for low income one person families.¹⁰⁸ Five of the units have no income requirements, according to Ms. Sullivan.

As a non-profit housing developer, the Montclair Shared Housing Association makes a sustained effort to keep these rental rates affordable compared with other for-profit senior residences in the area. Ms. Sullivan noted that "we have between 19 and 20 residents at any one time. Most people who decide to move in just do not want to move out. We have had residents here into their late 90s."¹⁰⁹

The Montclair Shared Housing Association is often asked to discuss its program with other groups around the state that are interested in starting similar associations in their area. "We have worked with groups in Trenton and out of state that are interested in our model. We are always happy to talk to others about our success."¹¹⁰

102 Ibid.

103 Ibid.

104 Sullivan interview.

105 <http://www.montclairinn.org/Rentals.htm>, accessed on 8 August 2009.

106 Ibid.

107 <http://www.state.nj.us/dca/affiliates/coah/reports/incomelimits.pdf>, accessed on 9 August 2009

108 Ibid.

109 Sullivan interview.

110 Ibid.

PROVIDENCE SQUARE I AND II

Pennrose Properties
New Brunswick NJ

Providence Square, once a cigar factory, was converted into an affordable independent living facility for seniors in New Brunswick, New Jersey. Located at the corner of Harvey and Somerset Streets, Providence Square was re-developed in 1993 by Pennrose Properties, one of the largest affordable housing developers in the region and in the country.¹¹¹ This project has been so successful that a new building is being added to the property in the near future.

This historic building was constructed as a cigar factory in the early years of the 20th century. By the early 1990s it was abandoned and in deteriorating condition. The property, however, was in a strategic location because to the west was the vibrant ethnic neighborhood of the Fifth Ward. To the east was the nationally known Robert Wood Johnson Hospital, then considering expansion in the downtown.

In 1992, New Brunswick Tomorrow, the City's economic development entity, began the most comprehensive study ever in the City of the needs of seniors, with a grant from The Fund for New Jersey and in cooperation with the Rutgers Institute for Health, Health Care Policy and Aging Research.¹¹² This study made clear that local seniors were dissatisfied with the affordable housing choices then available in the City.¹¹³

New Brunswick, like many other older industrial cities, had few available open parcels for development, so New Brunswick Tomorrow began looking to former industrial buildings for conversion prospects.¹¹⁴ The



Providence Square
Photo credit Donna Ann Harris

111 <http://www.housingfinance.com/ahf/articles/2008/may/AHF50TOPOWNERS020508.htm>.

112 <http://www.nbtomorrow.org/information/history.asp>.

113 Ibid.

114 <http://www.njfuture.org/index.cfm?ctn=9t45e1o30v9g&emn=5u92y86g2h42&fuseaction=user.item&ThisItem=412>.

old cigar factory, located on a commercial corridor only blocks from the downtown, seemed to offer great possibilities to fill the need for affordable housing for seniors. Then a hulking shell, the old cigar factory, if rehabilitated, could be an important anchor for the community.

This site was targeted for adaptive re-use by New Brunswick Tomorrow, the local economic development entity, and the nonprofit New Brunswick Development Corporation.¹¹⁵ The New Brunswick Development Corporation (DevCo) was created in January 1976 as a private, non-profit organization to serve as New Brunswick Tomorrow's implementation partner for economic development.¹¹⁶



Providence Square
Photo credit Donna Ann Harris

DevCo chose Pennrose Properties to transform this idle and deteriorating but historic property into housing for New Brunswick seniors who were able to live independently. Pennrose Properties is a Philadelphia-based development and management company. The firm specializes in mixed use, mixed income and multi-family housing.¹¹⁷ Pennrose Properties owns and manages all of the development projects it has ever built, stressing long term ownership. An early proponent of adaptive use of historic structures, the firm has an extensive portfolio of projects in New Jersey, many of which involve conversion of existing buildings into affordable housing either for seniors, low and moderate income families or mixed use developments.¹¹⁸ The firm is active in seven states and is one of the largest producers of affordable and senior housing.¹¹⁹

In 1993, the \$10.7 million Providence Square senior citizens residential facility opened.¹²⁰ During the conversion of the building, it was expanded to 98 units by adding a wing on the Harvey Street side of the property. The original structure was a four story brick loft type L-shaped warehouse. A steel frame addition, which is faced with brick and retains the same height, scale, materials and window rhythm across the facade, blends in with the older historic warehouse building to form a housing complex, now in a U-shape.

115 <http://www.pennrose.com/portfolio/providenceSquare.shtml>.

116 <http://www.nbtomorrow.org/information/history.asp>.

117 <http://www.pennrose.com/properties.shtml>.

118 See Pennrose properties portfolio at <http://www.pennrose.com/properties.shtml>.

119 <http://www.pennrose.com/bios/henkel.shtml>.

120 <http://www.nbtomorrow.org/information/history.asp>.

The entrance to the property is through a courtyard that is in the middle of the U shaped building. A glassed-in pavilion and gazebo mark the main entrance to the facility. Providence Square features a garden at the western end of the parcel and parking for 80 cars.¹²¹

All the apartments are set up to conform to barrier free design.¹²² There are two elevators in the complex, and a community area where residents can mingle. There is a passive recreation center, on-site laundry service and the Pennrose Management Office.¹²³

This conversion of the old cigar factory was successful because there were very large and heavy wood double hung windows, which allow plenty of light into the apartments. These windows were replicated in the new addition. Quality materials and ongoing maintenance of the site makes Providence Square look as fresh today as it did fifteen years ago when the first tenants moved in.

Financing for the original \$10.7 million dollar adaptive use project included the federal [Historic] Investment Tax Credit for Rehabilitation, the federal Low Income Tax Credit, City of New Brunswick grants from their Affordable Housing Trust Fund from Regional Contribution Agreements, equity from Pennrose and traditional first position bank loans.¹²⁴ Units are reserved for low and very low income seniors 62 years and older.¹²⁵

The Providence Square project has been very successful since the outset. Demand for affordable housing for seniors remained high in New Brunswick. According to Timothy Henkel, Senior Vice President, Pennrose Properties, Pennrose responded to this opportunity and decided to expand this complex by adding another building.

The new building, called Providence Square II, has added 53 more age and income restricted units. The building was planned to retain the character of the older historic building on the site and is located on part of an existing garden area along the Harvey Street portion of the site.¹²⁶ The parking lot was increased from 80 to 88 parking spaces, which ultimately was acceptable to the community because the property is diagonally across from a nine story public parking garage built to support the Robert Wood Johnson hospital just a block away.¹²⁷

In May 2009, the developers received approval for the building's financing from the State of New Jersey's competitive round of proposals for Low Income Housing Tax Credits.¹²⁸

121 Interview with Timothy I. Henkel, Senior Vice President, Pennrose Properties, 31 July 2009.

122 www.pennrose.com/portfolio/providenceSquare.shtml.

123 Ibid.

124 <http://www.tpub.com/content/cg1997/g597055/g5970550160.htm>, <http://www.nytimes.com/1996/03/31/nyregion/slouching-toward-mount-laurel.html?pagewanted=3>

125 Ibid.

126 <http://www.empowernb.com/nb-questions-answers/providence-square-proposal>

127 <http://www.pennrose.com/portfolio/providenceSquare.shtml>

128 <http://www.state.nj.us/dca/hmfa/home/news/2009/090528.html>

According to the press release issued by the Housing Mortgage Finance Agency, “Low Income Housing Tax Credit Funds encourage public-private partnerships in the development of affordable housing. Under the program, affordable housing developers are awarded housing credits to sell to private investors in order to raise capital. The dollar for dollar tax credit is claimable by investors annually for 10 years.”¹²⁹

Prior to 2008, the Low Income Tax Credits were sold to investors who paid between 85 to 90 cents per dollar of tax credit used. Since the plunge in the national economy, there has been no market for sales of tax credits, and thus affordable housing has stalled. The press announcement about the tax credits awarded to the Providence Square II project notes that “The American Recovery and Reinvestment Act (ARRA) provides Tax Credit Assistance Program (TCAP) funding in order to fill that gap and will enable affordable housing developments to resume. The HMFA will administer both the LIHTC and TCAP awards and monitor funding to ensure it is spent correctly.¹³⁰ Providence Square II received \$1,295,501 in Low Income Housing Tax Credits from the state. Additionally The American Recovery and Reinvestment Act provided \$3,757,267 from the Tax Credit Assistance Program so this project could go forward as approved by the federal Housing and Urban Development department.¹³¹



Providence Square
Photo credit Donna Ann Harris

Welcomed by the community for turning a blighted building to a new community asset, Providence Square still serves the same purpose: providing affordable housing for seniors in neighborhood near shops and services. In fact, one of the original tenants who moved into the property in 1998 was very particular about choosing her apartment. She wanted her home to be in the exact same location where she rolled cigars as a fourteen-year-old girl.¹³²

129 Ibid.

130 Ibid.

131 Ibid.

132 Henkel interview.

SALEM HISTORIC HOMES

Pennrose Properties
Salem NJ

In 2000, Mayor Earl Gage, Councilman Jim Waddington and several other elected officials sought developer interest in rehabilitating some older buildings in downtown Salem and invited Pennrose Properties, a Philadelphia-based affordable housing developer to look at available sites. After looking at these and not seeing a good fit, Pennrose Properties President Richard K. Barnhart asked to see more of the city, especially the neighborhoods in this 300-year-old city in South Jersey.¹³³

Several years earlier, the City had sold a group of about 20 single family homes that had been taken in tax foreclosure along Carpenter Street to another developer. The initial idea was to rehabilitate these run down properties, spread over six blocks, into decent affordable housing for Salem residents. When that development project failed, the City realized that converting these homes into family sized rental homes, scattered in the midst of other homes with owner occupants, was not going to be easy, said Mr. Henkel.

The project historian Tim Noble noted that the “average residential values [in Salem] had been declining for more than 15 years and the City had the 10th lowest per-capita income in the state. The project area had vacancy levels approaching 50 percent and high crime activity. Most of the area’s buildings were poorly maintained rental properties owned by absentee landlords.”¹³⁴ But Mr. Barnhart was impressed with the quality of the historic homes, built predominantly in the



Salem Historic Homes
Photo credit Ron Emrich

133 Interview with Timothy I. Henkel, Senior Vice President, Pennrose Properties, 31 July 2009
134 <http://noblepreservation.com/pdf/Tim's%20LONG%20resume.pdf>.

1870s and 1880s, and asked about the status of this development project.¹³⁵

Intrigued by the prospect of making a stunning difference in a “neighborhood where burnt out houses, crime, illegal dumping and abandoned homes” were the norm, Pennrose Properties agreed to take on the failed project. “The City designated the Carpenter Street area as a redevelopment area and began work on a plan with Pennrose, “Salem Historic Homes,” that called for historic/ rehabilitation and new construction of rental housing.”¹³⁶

Pennrose Properties specializes in mixed use, mixed income and multi-family housing.¹³⁷ Pennrose Properties owns and manages all of the development projects it has ever built, stressing long term ownership. An early proponent of adaptive use of historic structures, the firm has an extensive portfolio of projects in New Jersey, many of which involve conversion of existing buildings into affordable housing either for seniors, low and moderate income families or mixed use developments.¹³⁸ The firm is active in seven states and is one of the largest producers of affordable and senior housing.¹³⁹

During the project, Pennrose decided to expand it to a two phase project that ultimately rehabilitated 78 historic homes, and constructed 28 new buildings with apartments as infill buildings that complement and respect the historic homes around them.¹⁴⁰ Phase I provided 44 rehabilitated units and 19 new units, while Phase II included 32 rehabilitated and 9 new affordable housing units.¹⁴¹ A total of 104 units of new and rehabilitated affordable housing were created.

One of the first challenges for the Carpenter Street homes, according Mr. Henkel, who was then the project manager for this project, was that the neighborhood was not yet listed on the National Register. Listing on the National Register was essential to use of the federal [Historic] Investment Tax Credit for Rehabilitation, a key financing source for a venture this large.¹⁴² Penrose successfully nominated The Hedge-Carpenter-Thompson neighborhood for inclusion on the National Register, and set about preparing drawings for review by tax credit officials at the New



Salem Historic Homes
Photo credit Ron Emrich

135 Henkel interview.

136 <http://noblepreservation.com/pdf/Tim's%20LONG%20resume.pdf>.

137 <http://www.pennrose.com/properties.shtml>.

138 Ibid.

139 <http://www.pennrose.com/bios/henkel.shtml>.

140 Ibid.

141 <http://www.kitchenandassociates.com/company/press/salem.html>.

142 Henkel interview.

Jersey State Historic Preservation Office (SHPO). Since each home was a separate parcel, full documentation of existing conditions for each building was required before SHPO approvals could be granted.¹⁴³

Financing for this project came from many sources, including the Low Income Housing Tax Credit and traditional bank financing.¹⁴⁴ This project also received \$280,350 from the Federal Home Loan Bank Board, through The Woodston NB and Trust Company, which was funded through the Bank's Affordable Housing Program (AHP).¹⁴⁵ According to the Federal Home Loan Bank's press release about this project, "The Federal Home Loan Bank of New York's AHP provides member institutions with direct subsidies which are passed on to qualified households through sponsoring local nonprofit organizations. AHP financing is combined with other funding sources to create housing for moderate-, low- and very low-income families. Program awardees receive this funding through semi-annual competitive rounds. Each competing project must be sponsored by a financial organization that is a member of the Bank in partnership with a community-based sponsoring organization."¹⁴⁶ As mandated by Congress, Bank members forgo 10 percent of their earnings to support these neighborhood housing and economic development initiatives.¹⁴⁷



Salem Historic Homes
Photo credit Ron Emrich

Additionally, financing from New Jersey Housing Mortgage Finance Agency required that each building meet the PSE&G Energy Efficient Home 5 Star Program.¹⁴⁸ Thus each property was assessed, major systems replaced, new roofs installed, new Energy Star appliances, high quality insulation, high efficiency furnaces, hot water heaters, extensive air sealing and recycled content carpeting were integrated into each building.¹⁴⁹ The whole project cost more than \$11 million, an average of \$75,000 per house.¹⁵⁰

As a project adhering to Smart Growth and "green" principles, there was a recycling program at the job site to reuse or turn the

143 Ibid.

144 http://www.novoco.com/low_income_housing/resource_files/qap/2002_NewJersey_applicants.pdf. The second phase of this project was awarded \$593,908 in Low Income Tax Credits.

145 Ibid.

146 <http://www.fhlny.com/archive/press/press041902.htm>.

147 Ibid.

148 Henkel interview.

149 <http://www.kitchenandassociates.com/company/press/salem.html>.

150 fpi.historicpreservation.gov/.../Preserving%20Communities:%20A%20Tour%20of%20The%20Federal%20Historic%20Tax%20...

construction debris into a positive benefit.¹⁵¹ Furthermore, rear alley systems were reused for rear off-street parking in select sections of the neighborhood.¹⁵² The existing street grid and infrastructure system was reused for the placement of in-fill housing.¹⁵³

Each house was studied and extensively remodeled on the interior to create fully central air-conditioned two, three or four bedroom rental homes for low and moderate income families. All the properties include an eat-in kitchen with a refrigerator, electric range, and dishwasher and garbage disposal. Along with a kitchen, the first floor also includes a living room, dining room, mud room with laundry hook up and powder room. The upper floors include bedrooms, additional full bath(s) and ample storage space.¹⁵⁴

Considerable care was taken with the exteriors of the homes to retain any decorative features including porches, brackets and original clapboard, as replacements were made to match existing features, said Mr. Henkel. All of the buildings were repainted in historic colors. “Resident concerns were a major consideration in the design of these new and rehabilitated residences, which have ultimately provided a safe and comfortable community in the heart of revitalized, historic Salem.”¹⁵⁵

A community house was created in one of the original buildings that serves as the headquarters of the residents association, Salem Historic Homes. There are seasonal events such as holiday parties, summer cookouts, and end of summer/ back to school activities on Carpenter Street, said Mr. Henkel. A subsidiary corporation of Pennrose Properties continues to own and manage the 104 affordable family size homes and apartments. To ensure that the neighborhood retains its small scale charm and character, the firm strictly enforces occupancy rules so that everyone can enjoy a peaceful and secure neighborhood.¹⁵⁶ Pennrose local property managers are on site to tend to any tenant requests.

These homes permit low and moderate income families in Salem to be near to schools, the downtown shopping district and houses of worship. Families began moving in to Salem Historic Homes in 2003. The project has won numerous awards including the 2004 New Jersey Future Smart Growth Award, 2005 New Jersey Department of Environmental Protection Historic Preservation Office and the New Jersey Historic Sites Council Historic Preservation Award, and 2006 National Housing and Rehabilitation Association Best Scattered Site Development.¹⁵⁷

151 Ibid.

152 Ibid.

153 Ibid.

154 Salem Historic Homes, Pennrose Properties flyer.151

155 <http://www.kitchenandassociates.com/company/press/salem.html>.

156 Henkel interview.

157 <http://www.pennrose.com/properties.shtml>.

OBSERVATIONS

Preservation New Jersey undertook this project to learn about affordable housing in historic buildings. There were specific questions we wished to answer:

The kinds of organizations that develop affordable housing in New Jersey;
If affordable housing developers were using specific types or sizes of historic or older buildings for their projects;
If buildings being used for affordable housing were generally listed on the National Register of Historic Places or subject to local landmark protection;
Whether or not affordable housing developers were creating sensitively rehabilitated projects by using the Secretary of Interior's Standards for Rehabilitation;
If developers routinely used the Historic Rehabilitation Tax Credit;
If developers were using the NJ Rehabilitation Sub Code and their experiences in doing so, and
If there were any other impediments to creating affordable housing in historic or older buildings in the state.

Our initial research on 110 projects supplied by COAH yielded approximately 18 buildings that seemed to represent quality rehabilitation work, deserving contact with the project sponsor to learn more.

Kinds of organizations

We learned that there were three types of affordable housing developers working in the state using historic or older buildings.

For-profit developers who work in New Jersey and perhaps other states
Nonprofit or faith-based developers that seem to work in a specific geographic area
Governmental entities, whether community action agencies or municipalities themselves

A handful of the 18 projects that we considered as possible case studies were completed by some of the largest for profit, affordable housing developers in the country, including Pennrose Properties LLC of Philadelphia PA; RPM Development Group of Montclair NJ and Mercury

Development Group. All of these developers work in the region to create affordable housing as their main development objective. Some specialize in rehabilitation of historic buildings and prefer larger scale (100 units and up) projects to maximize economies of scale. Another developer, Community Investment Strategies Inc. of Bordentown NJ, works throughout the state and takes on significant, but smaller scale projects than the developers mentioned above.

Another of the categories of affordable housing providers is nonprofit organizations. All of the case studies herein that were undertaken by nonprofits had their beginnings as faith-based efforts, usually through a consortium of local churches trying to create decent, affordable housing in their communities. All of these developers we interviewed are now non-sectarian organizations and provide housing for any low or moderate income person in the community regardless of their religious affiliation. Most of these developers began in one municipality and started with small projects. As they gained experience, they took on larger projects. Some of these faith-based developers have expanded outside their home communities to provide affordable housing in the surrounding county or larger region because they have become respectable and dependable housing developers over time. These developers include MEND Inc. (Moorestown Ecumenical Development Corporation); HOME Corp (Homes of Montclair Ecumenical Corp.), St. Luke's Community Development Corporation (St. Luke's Baptist Church) and Montclair Shared Housing Association.

Finally, municipalities or other public social service agencies can be affordable housing developers. We reviewed projects by the Township of Tewksbury and the Burlington Area Community Action Agency.

Sizes and types of buildings used

These three different types of affordable housing developers seem to approach creation of affordable housing differently, based on our case study research. For-profit developers seek the largest buildings they can find to rehabilitate because of the economies of scale for construction and eventual management. Several of the case studies show projects that have close to 100 or more units of affordable housing, such as Providence Square in New Brunswick (98 units) and Salem Historic Homes (104 new and rehabbed units).

These developers look at projects in many states, seeking properties that are large enough and available from any source in the public or private sectors. They consider mills, factories, former

schools, hospitals and other institutional buildings, and make decisions as any other developer would, based on the ability to obtain financing, municipal approvals, and local acceptance of the affordable housing use.

The pipeline for historic buildings for reuse as affordable housing is for these developers uneven. Possible projects come on the market from many sources: governmental entities offering surplus properties for reuse; privately owned properties listed with local real estate brokers or large historic buildings that are stalled or abandoned development projects in either the public or private sectors. Some buildings come on the market repeatedly if only because they are difficult or require costly remediation. Large historic buildings such as abandoned factories, surplus schools or other institutional buildings in neighborhoods may be prime candidates for these developers. However, these deals must meet exacting financing and scale criteria for these developers.

Nonprofit and government affordable housing developers approach the development of affordable housing differently. Their emphasis seems to be: “where is housing needed,” and “is there a building that can be acquired cheaply or preferably for free” to undertake the project. Many of the nonprofit developers do not have the financing to acquire properties in competition in the private marketplace, unless they are partners with the municipality in the acquisition process. Several of the case studies provide examples where the municipality acquired the building with the intent of turning over the property to the nonprofit developer to renovate and manage as permanent affordable housing for the community. The Miller Street Historic Homes and 43 Glenridge Avenue both in Montclair are good examples. Other nonprofit developers work closely with school districts and other public entities to take and reuse surplus properties for low and moderate income housing. MEND Inc. got its start working in concert with Moorestown to reuse vacant municipal buildings for affordable housing.

Financing

All but one of the case studies we profiled used many different kinds of financing. The typical financing mix also varied, depending on whether the developer was for-profit or in the nonprofit/government sector.

For-profit developers routinely use both the Low Income Housing Tax Credit (LIHTC) and

the [Historic] 20% Investment Tax Credit for Rehabilitation (ITC). These developers are able to syndicate these credits for sale to investors, thus creating additional equity for project construction.

In the early years of this decade, both the [Historic] 20% Investment Tax Credit and the Low Income Housing Tax Credits were sold to investors who paid between 80 to 90 cents per dollar of tax credit used. Since the recent plunge in the national economy, the market for sales of low income tax credits has collapsed, and thus affordable housing has stalled. The historic tax credit market, while impacted by the economy, has remained active for projects with solid underwriting and healthy sponsors. The Obama Administration has, as part of the American Recovery and Reinvestment Act (ARRA), created a new (Low Income Housing) Tax Credit Assistance Program, which is administered by various housing finance agencies like the Housing Mortgage Finance Agency (HMFA) in New Jersey. A press announcement about the tax credits awarded to one of the case study projects, Providence Square II, notes that “The American Recovery and Reinvestment Act (ARRA) provides Tax Credit Assistance Program (TCAP) funding in order to fill that gap and will enable affordable housing developments to resume. The HMFA will administer both the LIHTC and TCAP awards and monitor funding to ensure it is spent correctly.¹⁵⁹ We are unaware if there is a similar initiative to further stimulate the current levels of use for the Historic Tax Credit..

Large developers will seek out historic properties for rehabilitation because they will gain one extra point in the competitive process to receive Low Income Housing Tax Credits allocated on a competitive basis by the New Jersey Housing Mortgage Finance Agency, according to Timothy Henkel, Senior Vice President of Pennrose Properties LLC, one of our case study interviewees. According to the press release issued by the Housing Mortgage Finance Agency, “Low Income Housing Tax Credit Funds encourage public-private partnerships in the development of affordable housing. Under the program, affordable housing developers are awarded housing credits to sell to private investors in order to raise capital. The dollar for dollar tax credit is claimable by investors annually for 10 years.”¹⁶⁰ Mr. Henkel said that the one extra point can make all the difference in winning these highly competitive funds for projects that need tax credits to be financially viable.¹⁶¹

For profit developers also use developer equity and traditional bank financing. Some but not all of these development companies continue to own and manage their development projects after completion, to assure compliance with funding agencies on income requirements for tenants. Pennrose Properties created a subsidiary corporation that manages every affordable housing

159 <http://www.state.nj.us/dca/hmfa/home/news/2009/090528.html>

160 Ibid.

161 Interview with Timothy Henkel, Senior Vice President, Pennrose Properties LLC, 31 July 2009.

property they have ever developed.¹⁶²

Needless to say, a building that has been recently occupied and in serviceable condition, (although the market price may be higher), may be more appealing to a for-profit developer because the overall costs for financing will be lower than a building that has been abandoned for decades and needs complete rehabilitation and all new systems.

Our research indicated that nonprofit developers often rely on HOME funds (grants) available from the county housing agency, traditional bank financing and municipal contributions either in the form of grants or low or no interest loans. According to the US Department of Housing and Urban Development, “HOME provides formula grants to States and localities that communities use – often in partnership with local nonprofit groups – to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership or provide direct rental assistance to low-income people.”¹⁶³

These nonprofit developers work closely with the municipality on the acquisition of properties from another government agency, or outright purchase from the private sector. 43 Glenridge Avenue in Montclair was acquired by Montclair Township from New Jersey Transit for specific use as affordable housing.¹⁶⁴ The Township worked in close cooperation with HOME Corp, the nonprofit developer, to turn over the property to them for rehabilitation and ongoing management of these units of affordable housing. Other nonprofits including the Montclair Shared Housing Association and HOME Corp acquired properties from the private sector, often at a reduced or bargain sale price, thus offering the owner a partial tax deduction for the sale.¹⁶⁵ For-profit developers are not able to offer a bargain sale option to an owner. The nonprofit developers are less likely to use the various tax credits because of lack of expertise, project scale or due to the cost to syndicate the credits.

National Register listing and the Secretary of the Interior’s Standards

Not every building profiled as a case study was listed on the National Register of Historic Places or a locally designated district, as we were looking for broader trends among these developers. In retrospect, had we limited our research to only traditional landmark properties, we would have eliminated the majority of nonprofit affordable housing developers from this study, as few seem to work with landmark buildings.

162 Ibid. Federal formula grants provide predictable financing based on set criteria, here state population. New Jersey receives two dollars per person in the state from the Federal government the LIHTC.

163 <http://www.hud.gov/offices/cpd/affordablehousing/programs/home/>.

164 Interview with Beverly Riddick, Executive Director of HOME Corp, 21 July 2009.

165 Interview with Marcy Sullivan, Executive Director, and Montclair Shared Housing Association Inc., 22 July 2009.

Staff members at larger for profit development companies are skilled in assessing whether their projects will meet the criteria for the tax credit programs, or they will call in experts to assist. For example, if the individual building is not already listed in the National Register for Historic Places (as an individual property or part of a larger historic district) these developers will engage a consultant to undertake the research and approval process on their behalf. This was the case with the Salem Historic Homes developed by Pennrose Properties. The financial benefit of using the Historic ITC far surpasses the cost of the consultant to obtain listing on the National Register.

These developers will also engage architects for their projects that have longstanding knowledge about using the rehabilitation tax credit and the *Secretary of the Interior's Standards for Rehabilitation*, which governs how building materials and historic fabric are used and repaired on historic buildings.

We believe, based on our research and case studies, that nonprofit developers and government agencies may be less likely to choose properties that are listed on the National Register of Historic Places because of their concerns about additional construction costs to comply with the *Secretary of the Interior's Standards*. These developers may also be more inclined to take on properties that are in poor condition, have been abandoned or are eyesores in their communities because of their broader social service driven mission.

MEND Inc., the Moorestown based nonprofit developer, has worked with older buildings for much of its twenty year history, but has not undertaken traditional historic rehabilitation projects. Other nonprofit housing developers take a different approach. The Miller Street Historic Homes in Montclair are now beautifully restored historic houses. These houses are used for low and moderate income apartments for families or sold to first time homebuyers. The street is part of a local historic district, and HOME Corp worked closely with the local historic preservation commission on rehab requirements.

Government entities are often the developer of last resort for abandoned or underutilized properties. Unlike other developers, local and county governments have the ability to take title for back taxes or condemn properties that are public nuisances. While none of the case studies we reviewed came about by using a municipality's police power, this option might be plausible for acquisition of threatened or abandoned historic properties if there is significant public sentiment to do so.

The Bartles House, now a beautifully restored Greek Revival home in Tewksbury Township, was recently converted into three senior apartments at a cost of \$670,000. The Township purchased the property and its 55 acre farm ten years previously for its fair market value, without a specific use in mind for the house. After rejecting other uses such as a local museum, the Township Committee decided on an affordable housing use to help the Township meet its state mandated COAH affordable housing requirements. This was the only case study where the municipality fully funded the spectacular rehab using tax revenues, and no outside grants, loans or financing.

Use of the Rehabilitation Subcode

New Jersey's pioneering Rehabilitation Subcode was used in all of the case study projects completed after the Rehab Subcode's adoption in 1998, according to the developers we interviewed. The Rehab Subcode did what was hoped by its creators in 1998: create flexibility and accommodation for historic buildings to meet the requirements for life/safety. The Rehabilitation Subcode works for historic buildings in that it "identifies building elements that may meet relaxed code requirements in order to preserve the historic value and integrity of a historic building."¹⁶⁶ Some of the projects we profiled in the case studies would be viewed in many categories depending on the sums spent. Most of the work went far beyond repair, to include renovation, alteration and finally reconstruction.¹⁶⁷

All of the nonprofit affordable housing projects do not change the use of the structure, thus eliminating more exacting requirements of the Subcode, and thus saving much of the historic fabric. This was the case for the Colonial Building in Delanco, Miller Street Historic Houses, Montclair Inn, and 43 Glenridge Avenue, all in Montclair. Some, but not all, of the case study projects were considered substantial renovations. The Bartles House and one of the Miller Street Historic Houses projects were required to completely abate lead paint as part of their projects.¹⁶⁸ Other projects, such as some of the other Miller Street Historic Homes and 43 Glenridge Avenue in Montclair, did not have to strip remaining elements to bare wood, according to case study interviewees.¹⁶⁹

Impediments

All of the case studies we reviewed created successful projects. In some cases the funder, the HMFA, made requirements on lead paint abatement (Miller Street Historic Houses) which added considerably to project costs.¹⁷⁰ We did not hear about difficulties with neighbors who opposed

166 <http://www.state.nj.us/dca/codes/rehab/rehabguide.shtml>

167 <http://www.state.nj.us/dca/codes/rehab/rehabguide.shtml>.

168 Riddick interview, Interview with Jesse Landon, Township Administrator, Tewksbury Township, 22 August 2009.

169 Ibid.

low and moderate income housing creation in their midst. Most affordable housing providers understood that the lead time was long, and to be ready for bumps in the road toward completion of their projects

All the nonprofit housing providers were driven by their mission: to create permanent, affordable and decent housing for low and moderate income residents. These providers work on very small scale projects, often producing two to ten units a year. For-profit developers may produce large projects if the buildings are available. These opportunities can be separated by years. However, these projects can be predictably high quality projects that meet the *Secretary of the Interior's Standards for Rehabilitation* because they use the Historic Investment Tax Credits.

The same cannot be said for nonprofit developers. Constrained by their ability to find grant money, they do not have access to what they may perceive as “extra” money to put in quality wood replacement windows, for example, that would meet the Secretary of the Interior’s Standards. Under constant pressure to minimize costs, but yet create affordable housing that is in such demand, these developers must watch every penny. Historic rehabs may not be appealing due to additional costs, paperwork and the departure from their core mission.

Both nonprofit/government developers and for-profit developers continue to work despite market conditions. Tax credits, grants, public dollars, as well as bank financing provide the bulk of their financing, all of which are affected by a down economy. Both produce affordable housing for New Jersey residents, albeit using different models. Neither party produces enough units to satisfy the desperate need for decent housing for seniors, the disabled, the workforce or very low income people in the state. More affordable housing is needed. We see the opportunity to create more affordable housing using the state’s vast quantity of abandoned and underutilized historic buildings and wish to further promote this effort.

The following section details some modest suggestions to encourage municipalities and nonprofit developers to create more affordable housing using historic buildings. This issue is ripe for further discussion, and this report is only the start of a longer and more detailed conversation.

RECOMMENDATIONS AND ADDITIONAL RESEARCH PROJECTS

Widely publish the results of this study

Post this study on the Preservation New Jersey Web site, The Council on Affordable Housing (COAH) Web site; broadly distribute copies to COAH municipalities, and nonprofit housing providers. Speak about the study at various conferences especially to nonprofit housing providers. Issue press releases and post excerpts on Preservation New Jersey's blog. Seek other publication options as appropriate.

Work with COAH to review and revise the COAH Substantive Rules about historic buildings.

As part of this larger research project, intern Andito Lloyd reviewed the New Jersey Council on Affordable Housing (COAH) Third Round Regulations that became effective on June 2, 2008 and were revised on October 2, 2008 – Third Round Substantive Rules, Chapter 5:97, Third Round Procedural Rules 5:96 and Third Round Procedural and Substantive Rules. All of these documents may be found on the COAH web site.¹⁷¹

Ms. Lloyd noted that the third round regulations do not speak specifically to the types of structures or sites that are suitable as a mechanism for municipalities to meet the requirements for affordable housing units, including the use of historic properties.¹⁷² “The portions of the regulations that refer to historic sites would indicate that these sites are not suitable for use as affordable housing. More than once, when addressing the suitability of sites for development it is reinforced that development should not encroach on these sites and buffer areas should be incorporated into plans to protect the integrity of these resources.”¹⁷³ The Site Suitability section of the Substantive Rules (pp. 26-27) makes references to development near historic sites and advises that plans must be reviewed by the SHPO to ensure that plans do not encroach on those sites. Further:

“Historic and architecturally important sites and districts listed on the State or National Register of Historic Places shall be reviewed by the New Jersey State Historic Preservation Office for a recommendation pertaining to the appropriateness and size of buffer areas that will protect the integrity of the site. The review and written recommendation by the New Jersey Historic

171 <http://www.state.nj.us/dca/affiliates/coah/regulations>.

172 <http://www.state.nj.us/dca/affiliates/coah/regulations/thirdroundregs/594.pdf>, pages 26-27.

173 Memo from Andito Lloyd to Donna Ann Harris and Ron Emrich, Council on Affordable Housing Regulations, 16 March 2009.

Preservation Office shall be included in the Housing Element and Fair Share Plan that is the subject of any petition before the Council. Within historic districts, a municipality may regulate low- and moderate-income housing to the same extent it regulates all other development.”¹⁷⁴

Chapter 5: Adjustments of the Substantive Rules applies to requests in adjustments in the housing obligation based on the availability of land suitable for development. In this section, pp. 36-40, if a site is determined as historic or architecturally important that criteria can then be used to conclude that the site is inappropriate for development of affordable housing; with no mention of the suitability of adaptive reuse or rehabilitation within SHPO or National Register guidelines.¹⁷⁵

As previously mentioned, the legislation does not direct or advise the types of land or buildings that could be a source of this housing supply. However, while not speaking to historic properties specifically, rehabilitation of deficient properties – defined as housing with health and safety code violations that require repair or replacement of major systems – may loosely apply and is mentioned throughout the documents as a means to meet the obligation. See pages 35, 37 and 47-50 of the Substantive Rules.¹⁷⁶

PNJ would like to work closely with COAH staff to review the Substantive Rules and how they characterize historic properties, and to perhaps make rule changes to encourage the reuse of historic buildings for affordable housing purposes.

Undertake more case studies about affordable housing in historic buildings.

This project could be expanded to produce case studies for the ten additional affordable housing projects we felt were quality rehab projects. We would need the intervention of COAH to encourage these housing developers, both for profit and nonprofit to cooperate, as we were unable to gain their interest to participate in time to complete this study.

Assist municipalities to better integrate their Housing and Fair Share Plan and Historic Preservation Elements in their Master Plans to encourage the reuse of threatened, vacant or underutilized historic buildings for affordable housing purposes.

In another study funded by the DCA, we reviewed the Master Plan Housing Elements for

174 <http://www.state.nj.us/dca/affiliates/coah/regulations/thirdroundregs/594.pdf>, pages 26-27.

175 Ibid., page 36-40.

176 Lloyd memo, page 2.

13 municipalities to meet state mandated affordable housing requirements. All of these municipalities had very active historic preservation constituencies. We wanted to know if there was any mention of reuse of historic buildings in the Housing Element and Fair Share Plan. All of these communities had local preservation ordinances and therefore were required to have a Historic Preservation Element in their Master Plan. In all but one case (Rutherford), there was no mention of historic preservation, reuse of historic buildings or any other pro-preservation sentiment in the Housing Element and Fair Share Plan. We believe there are great opportunities to “cross-pollinate” these two important Master Plan elements to encourage affordable housing in local historic buildings that are threatened, vacant or underutilized.

Assist municipalities with obtaining Letters of Determination of Eligibility for listing buildings on the National Register when used for affordable housing purposes

Work closely with the NJ Historic Preservation Office to engage them in this effort. Determine if an expedited review could be made available to municipalities and nonprofit developers for Determinations of Eligibility for affordable housing projects using historic buildings.

Make nonprofit affordable housing developers aware of and make connections to architects, consultants and contractors skilled in the use of the Rehab Sub code and Secretary of the Interior’s Standards and National Register listing.

Preservation New Jersey maintains a list of qualified contractors, consultants and architects skilled in preservation, tax credit projects, National Register nominations and the Rehab Subcode through its Building Industry Network (www.PNJbuildingnet.org). Make this web-based listing widely known to the nonprofit/government affordable housing providers.

Work with COAH to inform nonprofit housing developers about financing that already exists that might help support any additional costs to do quality rehabilitation work for affordable housing projects

We understand from COAH staff that there are funds available now that nonprofit affordable housing developers already use for projects that could help fill the gap if there are increased costs to undertake quality rehabilitation projects that meet the Secretary of the Interior’s Standards. We understand from COAH staff that local Housing Trust Funds, Regional Contributions

Agreements and DCA Balanced Housing Trust Funds may be sources of support to subsidize any additional costs for rehab projects. Work with COAH to promote the availability and use of these funds for quality rehab projects.

Learn more about affordable housing developers and attend their conferences to promote affordable housing in historic buildings.

Become familiar with more nonprofit affordable housing providers and learn in more depth their views of the impediments to working with locally designated properties or properties on the National Register. Undertake more case studies to learn about these issues. Attend and speak at their conferences around the state. Encourage and participate in panel discussions about historic properties used for affordable housing. Conversely, encourage affordable housing developers to attend preservation conferences, especially the State Preservation Conference. Encourage preservation conference organizers to offer at least one panel each year on affordable housing development using historic buildings.

Explore with HMFA and COAH or other State entities, the creation of additional incentives to encourage reuse of threatened, vacant and underutilized historic buildings for affordable housing purposes.

Undertake meetings with these entities to determine how we can create incentives and/or disincentives to encourage municipalities, for profit or nonprofit housing developers to use threatened, vacant or underutilized historic buildings. Press for other incentives such as a state historic rehabilitation tax credit (vetoed by the Governor in February 2011) that will expand options for these historic properties. Get advice from other organizations such as New Jersey Future, Rutgers's Bloustein School, DCA's Smart Growth office and others, about incentives for creating affordable housing in historic buildings.

Create an inventory of threatened, vacant or underutilized historic sites that might be good candidates for reuse for affordable housing.

Work with COAH staff and other offices mentioned above to determine if it might be feasible to create such a list, how it would be managed and by whom.

Learn more about lead paint abatement requirements for HMFA financing.

Understand the regulations governing HMFA financing that require lead paint abatement, especially triggering mechanisms (dollar value, percentage of rehab etc.). Determine if there is any latitude that maybe available for historic properties for compliance purposes or additional funding that may be available for this purpose.

Celebrate the reuse of threatened, vacant or underutilized historic buildings for affordable housing.

Preservation New Jersey should work closely with COAH and other partners to identify opportunities to promote, celebrate and create awards for exceptional projects around the state the use threatened, vacant or underutilized historic properties.



Salem Historic Homes
Photo credit Ron Emrich

APPENDIX A

PRESERVATION NEW JERSEY AFFORDABLE HOUSING IN HISTORIC BUILDINGS PROJECT

Questions for project sponsors

Preservation New Jersey, a statewide organization, is conducting a research project funded by the New Jersey Department of Community Affairs (DCA) to review projects statewide that use historic buildings to provide affordable housing. COAH provided us with the name and address of more than 110 affordable housing properties in the state that might involve an historic building, and we are interested in knowing more about your project. Last week we drove to see 40 properties, and thought yours was a very interesting project and wanted to learn more.

Preservation New Jersey plans to produce eight case studies of affordable housing projects using historic buildings as a means to encourage other municipalities to consider using some of the underutilized or threatened historic properties in their community for affordable housing.

Participation as a case study would involve interviewing you or another knowledgeable person on the phone for about 40 minutes at a mutually agreeable time, so that we could learn more about this project. We would ask questions about how the project was financed; your motivations to pick this project, as opposed to others; your working relationship with the municipality and the community reaction to the project.

Since Preservation New Jersey is an historic preservation organization, many of our questions will focus on the construction and rehabilitation aspect of the project and your experiences working with agencies and governmental entities on this aspect of the project. This information, combined with the information we have already gathered from internet sources and COAH, should be enough to produce about three to five pages of text. Below are the questions we have, so you have time to think about them before the interview.

We would supply you with a final draft of the case study to review for errors of fact. We are

seeking an honest appraisal of the difficulties of creating affordable housing in historic buildings, so your candid comments are most appreciated during the interview.

We have already taken photos of your property, but if you could provide before photos or plans, that would make the case study more valuable to use. We would credit you in any document we produce.

Below please find the questions we plan to ask during the interview.

- Why this project, compared to others? What was your organization's specific motivation?
- Confirm the number of units, and the primary audience for this project—family housing, seniors, low or very low income, sale to first time home buyers, market to affordable?
- How was this financed? Did you use any funding from DCA? HMFA? Other public sources? Were there issues with using public financing?
- How did you acquire the real estate? Did you purchase from a private individual, sheriff's sale other means?
- What was the community's initial reaction to the project in the planning phase? Has it changed since then?
- How long did this take from start to finish?
- What was the general condition of the building before rehab?
- What was your experience working with the municipality on the reuse of this building? Were they supportive? Was it difficult to get approvals?
- Is this property subject to any local landmarks protection? If so, what was your experience working with them?
- Did this project require that you use the Secretary of the Interior's Standards for Rehabilitation? Please tell us your experience with that.

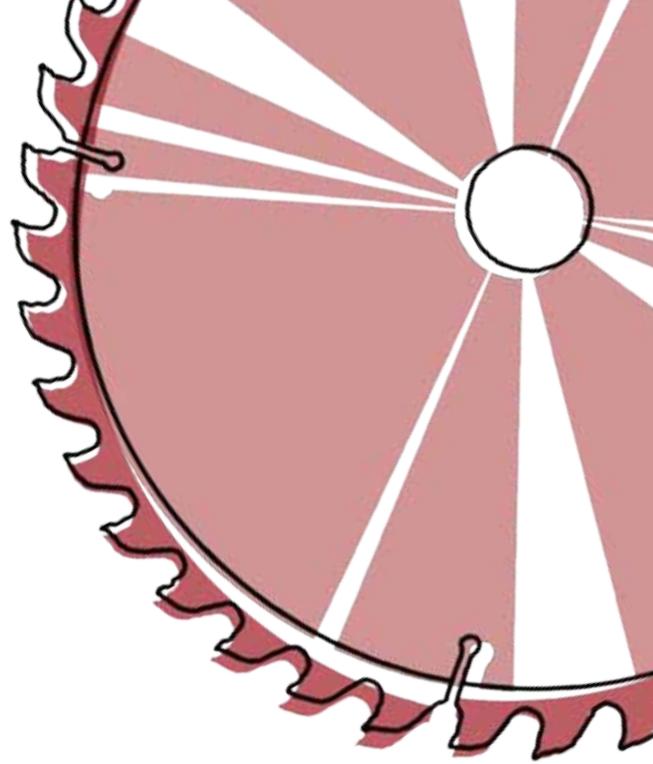
- Did you have to use the State Rehab Code to make your project work? What was your or your architect's experience doing that? Can we contact your architect to discuss this project? Did you use any other preservation or tax credit consultants on this project?
- Did you have any reason to work with the NJ Historic Preservation Office? What was your experience?
- Who manages the project now? Have there been any issues with maintenance? Is there any difficulty finding qualified tenants or owners if first time buyers?
- Would you do this project again? If not, why not?
- Anything else you would like to add?

Contact:

Donna Ann Harris
Principal
Heritage Consulting Inc.
Consultant to Preservation New Jersey for this project
422 South Camac Street
Philadelphia, PA 19147
215 546 1988
267 251 5444 cell
donna@heritageconsultinginc.com Email
www.heritageconsultinginc.com Web site
www.heritageconsultinginc.wordpress.com Blog



Colonial Building
Photo credit Robert J. Laramie



Colonial Building
Photo credit MEND Inc.

APPENDIX B

PRESERVATION NEW JERSEY AFFORDABLE HOUSING IN HISTORIC BUILDINGS PROJECT

Properties for COAH case studies

The following projects were considered for inclusion as case studies. All of the project sponsors were contacted by telephone, letter or email to solicit their participation.

PROPERTY NAME	LOCATION	DEVELOPER
1. Beverly Commons	Beverly	Beverly Commons LLC
2. Salem Historic Homes	Salem	Pennrose Properties
3. Providence Square	New Brunswick	Pennrose Properties
4. J. Budd Factory	Burlington	Pennrose Properties
5. Metropolitan Inn	Burlington	Pennrose Properties
6. Livingston Manor	New Brunswick	Pennrose Properties
7. Miller Street Historic Homes	Montclair	HOME Corp.
8. 43 Glenridge Avenue	Montclair	HOME Corp.
9. Montclair Inn	Montclair	Montclair Shared Housing Association
10. Clare Estate	Bordentown	Community Investment Strategies LLC
11. 708 Burlington	Delanco	MEND Inc.
12. St. Luke's House of Mercy	Patterson	St. Luke's CDC
13. Silk City Lofts	Patterson	Mercury Development Group
14. 29 Remsen Street	New Brunswick	CSI
15. Roebing Inn	Roebing	BCCA
16. Fairview court	Camden	RPM*
17. West Side Village	Newark	RPM*
18. Telephone Heights	Newark	RPM*
19. Bartles House	Tewkesbury	Tewkesbury Township

* Gina Fischetti, Deputy General Counsel of COAH suggested we not pursue these projects since they were not in COAH towns.

The following affordable housing developers are interested in participating and have supplied information to us

PROPERTY NAME	LOCATION	DEVELOPER
1. Salem Historic Homes	Salem	Pennrose Properties
2. Providence Square	New Brunswick	Pennrose Properties
3. Miller Street Historic Homes	Montclair	HOME Corp.
4. 43 Glenridge Avenue	Montclair	HOME Corp.
5. Colonial Building	Delanco	MEND Inc.
6. Montclair Inn	Montclair	Montclair Shared Housing Association Inc.
7. Bartles House	Tewkesbury Twp	Tewkesbury Twp
8. Broad Street Bank	Trenton	



Providence Square
Photo credit Donna Ann Harris



Salem Historic Homes
Photo credit Ron Emrich

ACKNOWLEDGEMENTS

Our heartfelt thanks go to Lucy Vandenberg, former Executive Director of the Council on Affordable Housing (COAH) for her enthusiasm and encouragement for this research project. We are also indebted to Gina Fischetti, Deputy General Counsel at COAH for sorting through the Council's database to find likely rehabilitation and conversion projects for us to research. She also sent emails to all of the municipal housing liaisons, seeking suggestions about affordable housing projects in their communities that used an older or historic building. From these two sources, we reviewed approximately 110 projects for possible case studies. We also appreciate the insights and thoughtful questions of **Keith Henderson**, Director of Policy and Planning during our initial and follow up meetings.

We are grateful to the following people who agreed to be interviewed for the case studies about their affordable housing projects in the state.

- Timothy Henkel, Senior Vice President, Pennrose Properties, Philadelphia PA
- Marcy Sullivan, Executive Director, Montclair Shared Housing Association, Montclair NJ
- Jesse Landon, Township Administrator, Tewkesbury Township NJ
- Taneshia Nash Laird, Executive Director, Trenton Downtown Association
- Matthew Reilly, Executive Director, MEND Inc., Moorestown NJ
- Beverly Riddick, Executive Director, HOME Corp, Montclair NJ

This project was conceived by Ron Emrich, Executive Director of Preservation New Jersey. Ron provided broad insight and assistance throughout the project, took photos of affordable housing projects in the Trenton and Ewing areas, and served as co-pilot and guide during our two-day driving trip to visit the 45 potential case study projects. Ron contributed to the list of recommendations, and also identified most of the additional projects resulting from this study.

CREDITS

This report was researched and written by Donna Ann Harris, Principal of Heritage Consulting Inc., through a grant to Preservation New Jersey from the NJ Department of Community Affairs. For the larger DCA-funded project, Donna reviewed three Housing Elements of communities with active preservation constituencies to determine if there was any mention of reuse of historic buildings for affordable housing purposes. She also provided consulting assistance to 12 municipalities to review or create Historic Preservation Elements for their municipal master plans. All photographs used in this publication were taken by Donna Ann Harris unless credited otherwise.

Interns conducted substantial initial research for this project. **Andito Lloyd**, a graduate student at Pratt Institute, Brooklyn NY in their graduate Historic Preservation program, researched several of the potential case study projects, providing memos and compiled documents. Andito reviewed the COAH Third Round Substantive Rules to look for any mention of historic preservation and compiled a thoughtful memo. She also reviewed nine Housing Elements of communities with a contingent of preservation activists around the state, looking for any mention of historic buildings in their Housing Elements and provided an overview of each Housing Element.

Alexander Balloon, a recent graduate of the University of Pennsylvania's Historic Preservation Program in the Graduate School of Design in Philadelphia, PA researched housing master plan elements for each municipality on the list of 110 properties provided by COAH. **Laura DiPasquali**, a graduate student in historic preservation and interior design at the University of North Carolina undertook internet research on many of the 45 properties being considered for case studies, and created the tour routes for the driving tours. She also compiled research for the 18 top prospects for case studies.

This publication was designed by Tactile Design Group, Philadelphia PA.

Biographies

Donna Ann Harris is the principal of Heritage Consulting Inc., a Philadelphia-based consulting firm that works in three practice areas: downtown and commercial district revitalization, historic preservation and organizational development. Since starting her firm and during her career,

Donna has assisted citizen groups and government agencies to identify appropriate reuses for threatened historic properties that ensure the long term preservation and maintenance of the site. Throughout her twenty five years in the preservation movement, she has led start-up and mature statewide preservation organizations as an executive, was first staff member of a land and building conservation organization, and was project manager for a citywide preservation organization. Donna was the founding Executive Director for Preservation New Jersey from 1980-1982.

Donna's new book *New Solutions for House Museums: Ensuring the Long-Term Preservation of America's Historic Homes* was published by AltaMira Press in April 2007. She has published articles about reuse of historic house museums in the American Association for State and Local History's quarterly magazine *History News* and the National Trust for Historic Preservation's quarterly scholarly journal *Forum Journal*. Her articles about advocacy, membership development and Business Improvement Districts have been published in the National Trust Main Street Center's monthly newsletter *Main Street News*. Donna speaks regularly and consults about historic preservation issues around the country.



Broad Street Bank
Photo credit Ron Emrich

CONTACT INFORMATION:

Contact information:

Donna Ann Harris, Principal
Heritage Consulting Inc.
422 South Camac Street
Philadelphia, PA 19147
215 546 1988 phone
donna@heritageconsultinginc.com

