



**WALKER HOUSE  
540 BROAD**

Newark,  
New Jersey

**PROJECT:** Built in 1929 for the New Jersey Bell Telephone Company, the Art Deco building is on the National Register of Historic Places. It is now home to apartments, offices, and retail.

**HOUSING:** The sixth to 20th floors contain 264 apartments, a mix of studios and one-, two-, and three-bedroom. Twenty percent are set aside for households earning 40 to 50 percent of the area median income.

**OF NOTE:** Newark's inclusionary zoning ordinance gives current city residents first access to rentals, which offer easy access to downtown, transit, and green spaces.

# OLD Office NEW Job



Clockwise, from far left: The New Jersey Bell building in 2005; exterior details of the Walker House entrance; restored marble and ironwork in the lobby; an apartment interior. Below, Newark's Planning and Zoning Director Pallavi Shinde, AICP, PP, in front of 10 Commerce Court, another downtown office renovation.

NATIONAL PARK SERVICE; COURTESY L+M DEVELOPMENT PARTNERS (3); ELIANEL CLINTON



Adaptive reuse can help increase housing supply, but finding the right building and development partners is essential. *By* BILL JONES

# **EACH** of the 71 units inside the new mixed-income housing development in East Greenville has the feel of something fresh and **NEW**.

But the building in the borough of Montgomery County, Pennsylvania, also has a history, a story to tell. With three buildings dating from as early as 1880, it once was a manufacturing facility that produced caskets for the area's departed. Today, adaptive reuse has given it a second shot at life.

Planners guided the process of adaptive reuse—converting buildings that have outlived their original purposes to accommodate new uses—to transform the former manufacturing facility into The Willows at East Greenville.

Prior to that work, the buildings were in disrepair, says Pattie E.B. Guttenplan, AICP, RLA, deputy director for the Montgomery County Planning Commission and a member of Pennsylvania Chapter of APA. “It was a mess,” she says. “One of the buildings, the roof [and walls were] gone.”

But nearly a decade ago, the mid-Atlantic developer Ingerman and Genesis Housing Corporation saw the former manufacturing buildings as an opportunity to create housing ranging from market rates to affordable. Genesis is a nonprofit and community housing development organization that focuses in part on rehabilitation with an aim to provide affordable homes. The Willows is part of a collection of multifamily communities developed by Ingerman in a handful of Eastern states using the federal Low-Income Housing Tax Credit (LIHTC) program, which subsidizes development so long as it meets specific guidelines to create affordable housing.

“East Greenville saw this as an opportunity to preserve these buildings and provide housing for their community,” Guttenplan says. Supporters envisioned the development as a place where, for example, a single parent could live affordably and be able to stay in the area, where they might have struggled to find an affordable place before.

With guidance from Montgomery County, the borough allowed multifamily residential as an adaptive reuse in its limited industrial zoning district by limiting conversions to pre-1940 structures of at least 100,000 square feet. Projects must preserve historical exterior characteristics, limit density, create pedestrian circulation standards, require 30 percent common open space, and conduct a traffic impact study.

Financing support included \$11.66 million in LIHTC equity and \$3.36 million in Historic Tax Credit equity. In addition to those federal sources, the project received a \$3.99 million permanent mortgage through Community Lenders, \$1.91 million from Montgomery County, and \$1.18 million from the Pennsylvania Housing Finance Agency.



Clockwise from above: Equipment left on-site when the Boyertown Burial Casket Company factory closed in 1988; an aerial view of the three buildings that became The Willows; the foyer with exposed brick and loft space. Below, Pattie E.B. Guttenplan, AICP, RLA, deputy director for the Montgomery County Planning Commission, credited part of the success to working with developers familiar with building low-income housing.

COURTESY DONOVAN ARCHITECTS (2); INGERMAN (2); CHARLES L. GUTTENPLAN, AICP, PP





## THE WILLOWS AT EAST GREENVILLE

Montgomery County, Pennsylvania

**PROJECT:** A casket factory and two other buildings from a century ago have been preserved and given an afterlife.

**HOUSING:** Capitalizing on \$22.7 million in funding, including \$11.66 million in LIHTC equity and \$3.36 million in Historic Tax Credits, developers built 71 apartments; 59 are attainable units.

**OF NOTE:** Using Montgomery County's adaptive reuse guide, planners identified these priorities for the project:

1. History and heritage
2. Special financing tax credits
3. Architectural character
4. Sustainable development
5. Infill development and walkability

The Willows at Greenville also received Pennsylvania State Historic Tax Credit equity, a deferred development fee, energy rebates, and more. All of that required the architects to balance various requirements related to historic preservation and affordable housing. “That was part of the success,” Guttenplan says, noting that working with people who had done this before was crucial. “To meet [those] criteria is sometimes challenging.”

Montgomery County’s adaptive reuse guide—outlining benefits and challenges, sharing best practices, and highlighting some of the county’s other projects—was another important tool for developers. Several of the guide’s featured projects focus on affordable housing. “There is a lot of interest in adaptive reuse,” Guttenplan says.

And that interest isn’t limited to Pennsylvania.

### Filling up Newark’s empty offices

No city may be more familiar with the challenges and benefits of adaptive reuse of office space than Newark, New Jersey. There, developers have been working to create hundreds of apartments through adaptive reuse—with some researchers saying the city will develop nearly 500 apartments in former office buildings.

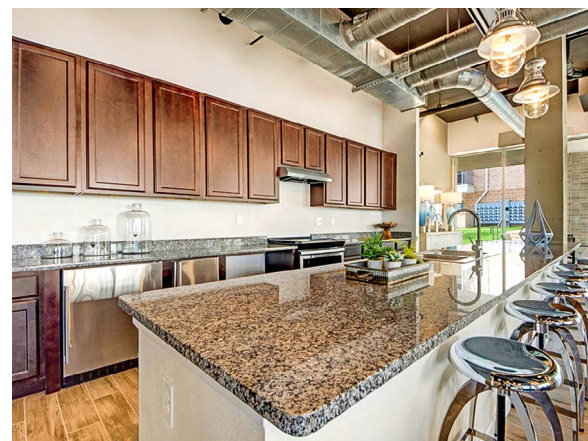
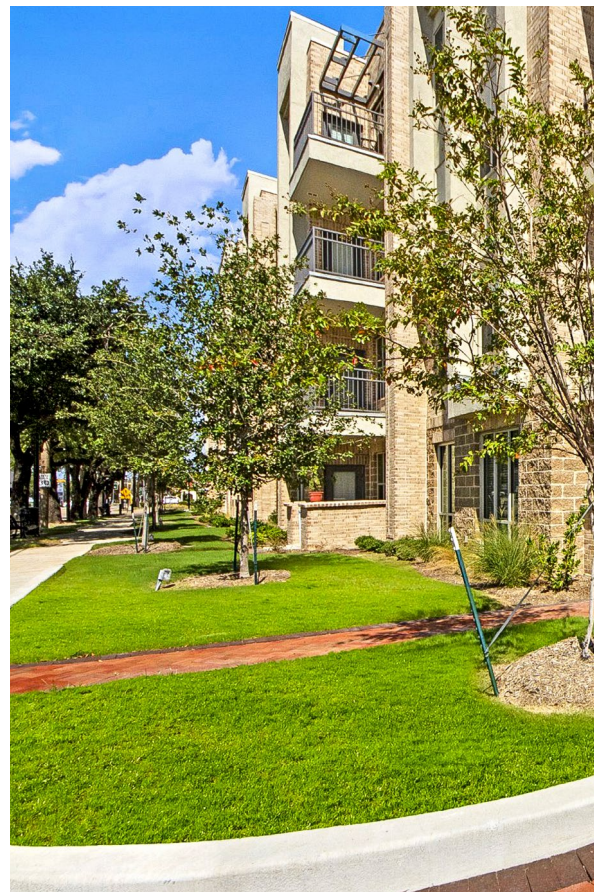
“It’s happening because Newark has a lot of older office buildings,” says Pallavi Shinde, AICP, PP, the city’s planning and zoning director and a member of APA’s New Jersey Chapter.

In the 1930s, Newark had a population of about 450,000. However, suburban flight, deindustrialization, and civil unrest in the 1960s contributed to the city’s decline, Shinde says. Iconic buildings built by renowned architects remained vacant for years, and corporate offices closed or left. But she says that with its recent population increase—now slightly over 300,000—and demand for housing, developers saw a strong opportunity for adaptive reuse, transforming these underutilized spaces into residential units.

Among the projects in Newark is the downtown 10 Commerce Court building undergoing a conversion of 12 stories of office space to 110 housing units with ground floor retail and amenities in the basement. The non-profit community development financial institution LISC (Local Initiatives Support Corporation) provided an \$8 million construction loan.

There also is the 21-story historic Walker House at 540 Broad Street. Built in 1929 for the New Jersey Bell Telephone Company’s headquarters, it’s now 264 loft rental apartments with ground floor retail. Another historic building undergoing a similar transformation is 10 Park Place, located downtown next to the New Jersey Performing Arts Center. Also built in the 1920s, it served as the headquarters of the Firemen’s Insurance Company, Shinde says. After a long period of vacancy, it will now be converted into 231 affordable housing units.

These projects—along with Newark’s 2023 inclusionary zoning ordinance, which allows those who already live in the city first dibs on new apartments during a 90-day period—provide Newark residents with affordable housing in the heart of the downtown with easy access to transit and green space, Shinde says. The ordinance mandates that all new residential, mixed-use developments or substantial rehabilitation projects with at least 15 residential units set aside 20 percent of those units as income-restricted,





## CITY SQUARE LOFTS

Garland, Texas

**PROJECT:** The vacant Bank of America Tower was converted to a three-acre apartment complex, including 80 newly constructed units wrapped around the original building.

**HOUSING:** 126 apartments: 79 affordable, 47 market-rate.

**OF NOTE:** Financed by a nine percent LIHTC, the conversion emphasized life safety issues, Enterprise Green Building standards, community integration, and walkability to historic downtown. The many changes to the office building included a totally new cladding package with operational windows and balconies serving each unit.

with a further breakdown for those to be set aside at various area median income levels.

“Our zoning ordinance is very permissive, but we do realize the challenges developers sometimes have in converting these spaces into residential or other uses,” Shinde says, citing parking as one such issue. “Downtown Newark’s proximity to Newark Penn Station, several light rail stations, and bus stops alleviates or reduces the need for parking, which is a substantial benefit for office-to-residential conversions.”

Another challenge is ensuring proper access to the buildings. Shinde says mixed-use projects typically require separate entrances and older office buildings often impose constraints that limit the placement of new residential. “You need to make sure that every unit and every room in the residential unit has good light and ventilation,” Shinde says. Those unit configurations can be a real puzzle.

The high cost of such conversions can make profitability tough, though a study by The Pew Charitable Trusts and Gensler suggest that co-living, dorm-style apartment designs could be the key to making some projects economically viable while also addressing several other considerations in the creation of affordable housing. It identified buildings in Seattle, Denver, and Minneapolis as “suitable” for that approach.

According to Pew, there’s a shortage of between 4 million and 7 million homes in the U.S., while Moody’s reports seeing a record high office vacancy rate of 20 percent. Newark’s focus on adaptive reuse, which Shinde has seen trending since 2010, could offer some local relief from that national trend. It also can help stave off deterioration or demolition of older buildings and reinvigorate downtowns.

“It’s wonderful to see some of these larger vacant buildings being brought back to life,” Shinde says. “In a city like Newark, where we have lost so much of our historic fabric over the years, it’s encouraging to see buildings that are not just standing as reminders of the past but finding a new purpose and contributing to the future. It’s also a sustainable way to develop when we have these buildings that are still in good condition, not just aesthetically but also structurally.”



Clockwise, from top: Exterior of the City Lofts complex; a pool in the courtyard; building amenities carved out of the old office tower. Angela Self, FAICP, former planner in Garland, Texas, and now planning director in Cedar Hill, Texas, has been working with adaptive reuse and historic preservation in Texas for 25 years. COURTESY YIMPROS (3); WISE OWL MEDIA/APA

### Navigating adaptive reuse in North Texas

Adaptive reuse is not without its unique issues. Angela Self, FAICP, former planner in Garland, Texas, and now planning director in Cedar Hill, Texas, says the primary challenges of adaptive reuse are in figuring out how to take, for example, a 1960s building and adapt it to modern amenities and design.

“There’s always something that you have to learn when it comes to reusing a building and converting it to a new use,” says Self, chair of APA’s Housing and Community Development Division. “One of the ways planners can really assist is by providing those best practices that are happening across the country.”

In Garland, Self saw two former banks turned into multifamily residences. For both, it was important that city departments got involved early. With City Square Lofts—the conversion of a former Bank of America office into a multifamily, 9 percent LIHTC project—the team had to address a new form-based code for downtown. The Draper, a recent project that converted a former Chase Bank into multifamily, necessitated asbestos removal, which was made possible by a grant from the city.

“With both projects, there was the goal of continuing a walkable, pedestrian-friendly environment to further connect each site to the historic downtown,” Self says.

Arlington and Dallas—also in Self’s North Texas area of expertise—have seen their fair share of adaptive reuse. “It’s a tool that’s been embraced here,” she says, for affordable and market-rate housing projects. In underused and vacant buildings, she says, community-based developers see opportunities “to take something that has good bones and convert it into something that is very much needed.”

Self says she has been working with adaptive reuse and historic preservation in Texas for about 25 years. In that time, she’s seen the practice evolve. “Now, we’re starting to look at office buildings that may not be historic in nature, although they may be older.”

Self believes great partnerships—ones that match the city’s long-term plans with what the market demands—are the key to successful adaptive reuse projects. “We’re able to reuse buildings that still have a lot of viability,” Self says. “They really just need new life.”

### Ensuring a good fit is crucial

Guttenplan says Montgomery County has seen a wide variety of adaptive reuses in recent years and a recognition that certain structures are valuable to keep, even older office parks. But, she says, not every office building is suitable for redevelopment—sometimes nearby residents oppose the change, or the structure is simply too deteriorated to make reuse feasible.

While many of the challenges of adaptive reuse fall on developers, Shinde says it is up to planners to make sure the project is a good fit for the community. “I don’t see too many challenges on our side,” she says. “But we try to make sure that the project integrates well within the context of the neighborhood and provides a good mix of decently sized units that include studio, one-, two-, and even three-bedroom units.”

*Bill Jones is a Chicago-area award-winning journalist and communications professional.*

## BUILDING ATTAINABLE

*Boosting more supply takes time*

A perfect storm has fueled the housing crunch over the last decade in Hood River, Oregon.

Home to around 8,500 residents, the city is known as the windsurfing capital of the world. High demand from homebuyers drawn to the area’s beauty and recreation caused prices to skyrocket, while the surging popularity of short-term rentals squeezed an already tight supply, says Dustin Nilsen, AICP, the city’s planning director.

A lack of buildable land compounded the problem. Hood River sits between the protected Columbia River Gorge National Scenic Area and farmland beyond the city’s urban growth boundary. “We really saw the need for the city to become increasingly active, and that meant broadening our efforts beyond just the zoning code and subdivision code,” Nilsen says.

### A MULTIPRONGED APPROACH IN OREGON.

Planners in Hood River have used several strategies to increase housing affordability.

After placing limits on short-term rentals, city officials introduced a one percent construction

