

Centers Case Study

Esther Short Commons Vancouver, Washington

Project overview

Center: Vancouver regional center

Location: 555 W. Eighth Street

Project description: Esther Short Commons is a mixed-use, multi-family property featuring 160 units of apartment housing built on more than 20,000 square feet of ground-floor commercial space. Situated on the west side of Esther Short Park, in the downtown core of Vancouver, Esther Short Commons provides 139 units of housing to residents earning at or below 60 percent of the area median income, 21 market-rate housing units, an 8,000-square-foot ground-floor commercial space for the Vancouver Farmers Market and 12,000 square feet of retail commercial space.

Timeline

2001	Concept selected and approved
August 2003	Construction begins
October 2004	Construction completed

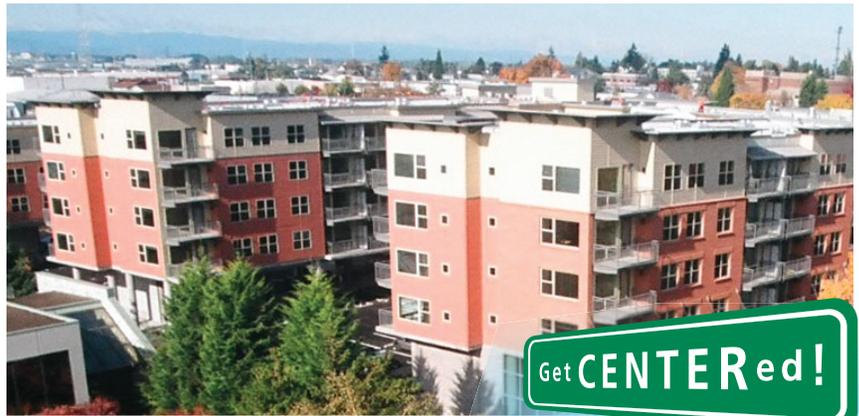
Financial overview

Total project costs: \$20.8 million

Hard costs: \$82.59/square foot

Funding tools used

- Tax-exempt bonds
- 4 percent low-income housing tax credits
- Clark County HOME Funds
- City of Vancouver project investment and CDBG Funds
- Washington State Housing Trust Funds
- Clark County



Building Vibrant
Downtowns + Main Streets

Local market, fresh product

Steve Burdick knows that the redevelopment of downtown Vancouver has been a success when he sees the crowd of shoppers – 15,000 of them – downtown on sunny weekends, March to October. That’s about the number of produce-seekers who do their shopping each week at the Vancouver Farmers Market, held on the streets adjacent to centrally located Esther Short Park, says Burdick, the city’s economic development manager.

This spring, part of the Farmers Market will move inside to a new home that will be unique in Vancouver and the region: Esther Short Commons. The building will host the region’s only year-round, indoor farmers market. The project also brings affordable housing to downtown Vancouver, wraps it in a remarkably well-designed package, connects the project to the street with ground-floor retail and hides the parking structure behind the building façade. In all, Esther Short promises to bring even greater life and activity to Vancouver’s reemerging downtown.

Financing and teamwork

Both Burdick and project developer Tom Kemper of KemperCo, LLC acknowledge that financing the project was no stroll in the park. According to Kemper, nine layers of financing were necessary to see it through. Those included everything from bank loans to community development block grant funds, a low-interest state loan, low-income housing tax credits, a city systems development waiver and a sandwich lease. As is the case with the majority of other mixed-use, higher density, centers-type projects, a shared vision and partnership among a number of public and private organizations was essential for success.

Vancouver was an indispensable financial partner. The city invested \$750,000 into the project directly. It also waived the systems development charges typically assessed on new construction, which saved KemperCo approximately \$380,000. The city’s participation in KemperCo’s sandwich lease also was critical. The sandwich lease was structured as follows: The city acts as the master lessee and payment guarantor on the loan, then through a sublease, passes on the lease payments for the 8,000-square-foot space to the Farmers Market.

Housing the workforce downtown

The idea of affordable housing downtown originally had its detractors, admits Burdick. But, he argues, “This is workforce housing. The people who live in Esther Short Commons are your waiters and clerks and downtown administrative staff.” Of a total 160 units, all but 21 will be rented at affordable housing rates to tenants whose incomes are 60 percent or less of the area median. The



workforce showed immediate interest in the product: 10 days after opening in late 2004, 30 units had been rented.

Design and timing proved key to the acceptance, and even excitement, about an affordable housing project downtown. William Wilson Architects of Portland have carved out a niche designing affordable housing projects “to fit into the context of the area, rather than stand out.” At Esther Short, founder Bill Wilson created a modern look with some traditional finishes by using brick, concrete, glass and steel, punctuated throughout by numerous balconies.

Building Esther Short after the completion of several other major nearby market-rate projects also proved beneficial to the reception of the project. Fostering diversity in the district had always been a major goal of the downtown revitalization team. Yet cities such as Vancouver, B.C., have advised that focusing early investment in affordable housing in the downtown rebuilding process can deter further development and invite the perception that the area is likely to become a low-income only district. By the time Esther Short Commons opened its doors in late 2004, there was no danger the mixed-use, mixed-income downtown vision would be misunderstood.

Keys to success

- Higher density downtown projects like Esther Short Commons depend on creative financing and a committed and diverse public and private team for success.
- Design and timing are essential to the positive reception of affordable housing projects.



METRO

PEOPLE PLACES
OPEN SPACES

Physical description

Site size: 85,193 square feet
FAR: 3.4: 1
Building footprint: 24,908 square feet
Number of stories: 5
Construction type: Four residential floors of wood frame construction built on a post-tensioned concrete deck over ground-floor commercial space shell
Parking ratio: 0.64
Distance to transit: two blocks
Residential area: 148,308 square feet
Retail area: 20,000 square feet
Office area: NA
Residential units: 160
DU/acre: 82
Rental units: 160
Average rent: \$530 to \$1,000
Sale units: 0
Average sale price: NA

Project team

Public agency contacts: Troy A. Drawz, Vancouver Housing Authority, (360) 993-9554, and Steve Burdick, Vancouver Economic Development Services, (360) 735-8872
Developer: Tom Kemper, KemperCo, LLC, (503) 244-8643, www.kempercollc.com
Lenders: US Bank, National Equity Fund, state of Washington Housing Trust Fund, city of Vancouver CDBG Program, Clark County HOME Program, city of Vancouver, Clark County
Architect: William Wilson Architects – Robert Brendle, (503) 223-6693
Construction: RH Construction – Mike Kremers, (503) 228-7177
Retail tenants: Vancouver Farmers Market, Quiznos Subs
Leasing: KemperCo – Tom Kemper, (503) 244-8643

Get Centered! Vancouver

4 to 7 p.m. Thursday, September 15
 Visit completed projects, including Esther Short Commons, and opportunity sites with city staff, developers, and lenders, then gather at Esther Short Park for a Northwest-style barbeque.

Learn more about metro-area centers

Metro’s Centers Program is dedicated to building strategic partnerships and mobilizing financial resources to make vibrant, financially successful mixed-use projects flourish in our region’s centers.

www.metro-region.org/getcentered

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