

# AT HOME ON MAIN STREET

A HOUSING GUIDEBOOK  
FOR LOCAL LEADERS



## Contributors

**Main Street America™** has been helping revitalize older and historic commercial districts for more than 40 years. Today it is a network of more than 1,600 neighborhoods and communities, rural and urban, who share both a commitment to place and to building stronger communities through preservation-based economic development. Main Street America is a subsidiary of the **National Trust for Historic Preservation**.

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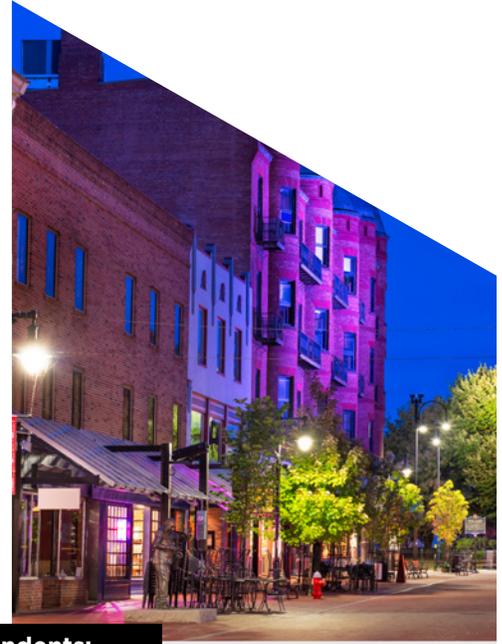
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Across the United States, communities both large and small, urban and rural, are confronting housing shortages and housing affordability challenges. While the rate of housing construction increased in many regions of the United States in 2022, the nation still has a dire shortage. The Federal Home Loan Mortgage Corporation, also known as Freddie Mac, estimates that the U.S. currently has a shortage of 3.8 million housing units.<sup>1</sup> The Pew Research Center, meanwhile, has found that 46 percent of renters across the country spent more than 30 percent of their income on housing, a common measure adopted by the U.S. Department of Housing and Urban Development for defining “cost burdened” households. **Nearly half of Americans say the availability of affordable housing is a major problem in their local community.**<sup>2</sup>

These national housing challenges hit home in Main Street communities. In spring of 2022, Main Street America research found that 87 percent of Main Street leaders see housing as a concern in their downtowns and neighborhood commercial districts. This concern takes many forms, most notably a lack of available housing, as well as poor conditions of existing housing, the affordability of units, and the high costs of construction. While 75 percent of Main Street leaders stated that there isn't enough housing to accommodate those who want to live in their district, many of these same Main Streets are also suffering from vacancies, particularly in their upper floors, that could likely provide more spaces for residents.



These findings were echoed in a more recent Main Street America survey, conducted in October and November of 2022.

Of the 260 respondents:



These statistics reveal a problematic pattern across Main Streets today, as well as an opportunity for local programs to engage in the housing crises hitting our nation. While the transformative potential of downtown housing is evident, there are a host of reasons why residential development in Main Streets isn't occurring at a fast pace in every town and city. The complexities of building rehabilitation and regulatory frameworks, and a lack of developers pursuing small-scale projects that are aligned with many Main Street district's needs are a few of the common challenges. Our initial *At Home on Main Street* report on the state of housing in downtowns and neighborhood commercial districts, released in May 2022, distilled major barriers to downtown housing development into key takeaways. This report works from those takeaways as a starting point and provides the foundational first steps for Main Street leaders interested in taking action to improve housing in their downtowns and neighborhood commercial districts.

1 <https://www.freddiemac.com/research/insight/20210507-housing-supply>  
 2 <https://www.pewresearch.org/fact-tank/2022/03/23/key-facts-about-housing-affordability-in-the-u-s/>

## ABOUT THE REPORT

This guidebook leans on insights sourced directly from experienced Main Street leaders. As housing grows as a concern, opportunity, or both, the knowledge of these leaders can serve as a resource for approaching similar scenarios in other downtowns and neighborhood commercial districts. Alongside their guidance and additional findings from MSA's research, this report highlights examples of Main Street housing projects and programming to ground the guidebook with relevant stories of challenges and achievements.

The guidebook is oriented towards those who are interested in the idea of housing as a core component of a vibrant Main Street. Our principal aim is to help more Main Street programs strengthen their housing-related efforts in a way that aligns with their mission and current work. Echoing the Main Street leaders who have successfully cultivated housing development: Where housing can be added and built spaces can be occupied, the work of Main Street organizations can be made easier, more visible, and more rewarding.

We are very grateful for the support of the 1772 Foundation, who provided the funding that made this research possible.

## ABOUT THE GUIDEBOOK'S EXPERT ADVISORS

This guidebook leans on the expertise of Main Street America staff and Main Street managers across our network, as well as the content expertise of five Main Street-affiliated individuals who have engaged housing development in various ways over the course of their careers. Quotes from our conversations with these experts are incorporated throughout the report.

The advisory group includes these exceptional individuals:

### **Joi Cuartero Austin** Senior Program Officer Economic Vitality, Main Street America

Joi has served as the Executive Director of Batavia MainStreet in Batavia, Illinois, and the Director of the Illinois Main Street Coordinating Program. With her husband Bret, Joi helped establish an Upper-Story Residential Rehab Program in Quincy, Illinois, that leveraged Tax Increment Financing (TIF) dollars to support upper-floor housing development.

Austin's first brushes with housing development were through her work in economic development to increase residents for downtown Quincy in Adams County, Illinois. As a developer herself, she understands the ins-and-outs of taking on downtown housing projects and supporting the needs of newcomers to small-scale development.



## Sherry Early

### Executive Director, Incremental Development Alliance

Sherry Early has worked in a variety of city planning, community and economic development, and real estate development roles for more than 20 years. As the Executive Director of the Incremental Development Alliance, Sherry leads a group of faculty who deliver trainings in communities across the country, cultivating locally-focused small-scale developers. In addition to her current role leading IncDev, Sherry is a small-scale developer herself.

Early has an extensive background in housing, including leadership roles in programming at multiple organizations focused on affordable housing. She sees mixed-use development projects in Main Streets as opportunities for residential and commercial functions to support each other.



## Bethany Rogers, Ph.D.

### Director of Strategic Projects, Main Street America

When Dr. Bethany Rogers agreed to serve as an advisor to this project, she was serving as the Executive Director of NewTown Loans, a CDFI housed within a downtown development nonprofit in Macon, Georgia. A former Main Street manager and an expert in cultural geography, Dr. Rogers recently joined the Main Street America team as our new Director of Strategic Projects.

Rogers sees understanding market data and being able to make reliable financial projections as key to successful housing and mixed-use programming. She's committed to real estate development as a route to community empowerment and wealth building.



## Darin Rutledge

### Executive Director, Discover Klamath Visitor & Convention Bureau

Darin Rutledge served as the Executive Director of the Klamath Falls Downtown Association (KFDA) in Klamath Falls, Oregon, for nearly five years. During his time at KFDA, Rutledge worked to nurture key partnerships that broadened the reach of the organization and increased its membership base. In 2021, he was named Executive Director of the Year by Oregon Main Street and in late 2022, he transitioned to a new role as Executive Director of Discover Klamath Visitor & Convention Bureau.

Rutledge became involved in downtown housing in Klamath Falls through his work at KFDA. Faced with an ongoing housing shortage in the downtown area, he supported housing development efforts by building and maintaining a strong relationship with the City, acting as a liaison between property owners and statewide agencies, and providing guidance on specific projects.



## Casey Woods

### Executive Director, Emporia Main Street

A volunteer for ten years at Emporia Main Street prior to becoming the Executive Director of the program, Casey Woods has served in the position of Executive Director for the Emporia Main Street program in Emporia, Kansas, for thirteen years. Woods has been involved in a number of housing projects in Emporia, including both rehabilitations and new construction, amounting to about 300 units overall.

As a Main Street Manager, he has played many roles in supporting these developments including initiating opportunities for community input and acting as a translator between various key players and stakeholders.



# ABOUT THE SPOTLIGHTS

Real-world examples of local housing, initiatives, and projects are incorporated into this guidebook that represent a range of experiences and ideas from across the nation.

**PROJECT 28**

Klamath Falls,  
Oregon

**DISTRICT 38**

Woodbine, Iowa

**DISTRICT 54**

Eureka, California

**PROJECT 8**

Emporia, Kansas

**DISTRICT 12**

Charlevoix,  
Michigan

**PROJECT 60**

Marion, Iowa

**DISTRICT 20**

Lansing,  
Michigan

**PROJECT 40**

Macon, Georgia

**DISTRICT 32**

Old Algiers—  
New Orleans,  
Louisiana



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PROJECT SPOTLIGHT

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# Main Street Leadership Sparks Development in Emporia, Kansas



Emporia Main Street (EMS) participated in the formation of a local development group invested in growing opportunities for the region. Utilizing a new state incentive targeting rural places, this local development group recently supported a mixed-use rehabilitation project in historic downtown Emporia, demonstrating a success of cooperative efforts and community-centered priorities.

## OVERVIEW

The creation of the Baldwin Motor Company Lofts involved the rehabilitation of a historic two-story downtown commercial building to include ten upper-story apartments, three first-floor commercial bays, and climate-controlled basement storage. Completed in November of 2022, the \$2.8 million project utilized both state and federal historic tax credits and was the first project in Kansas to use the new Upper Story Rural Housing Incentive District (RHID) program. Located in Emporia, Kansas, Emporia Main Street played a significant role in the development of the project.

# Q&A with Casey Woods

## OF EMPORIA MAIN STREET

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### What was the previous use of the building? Was it vacant prior to the start of the rehabilitation?

The lower story of the Baldwin Motor Company was once unified as a single automotive showroom and then was divided into three commercial bays that each housed a local business. The upper stories of the building previously served as an office for a car dealership and later as storage for a furniture store. They were vacant for several years prior to the property's rehabilitation.

### How was this site selected for a housing project?

Emporia Main Street aided a group of investors in the formation of a local property development group known as "Town Company 2"<sup>3</sup> or "TC2," a name inspired by the for-profit Town Company that founded and developed Emporia. The intent of the group is to generate development for the good of the region. EMS leadership serves as member, and EMS hosts meetings where TC2 members pitch local development projects to engage and launch. The Baldwin Motor Company project represents an accepted pitch and the first completed project for TC2.

### What is the Upper Story RHID Incentive and how was it utilized?

The Upper Story **Rural Housing Incentive District** Program (RHID) is a property tax rebate for up to 25 years based on the cash value of permanent improvements to the upper story and utilities/ egress elements that impact the upper story of a building. The program is applicable to commercial district properties in designated downtown areas and buildings must be 25 years old or older to be eligible. The extended nature of the property tax rebate enhances the cash flow of the project, and the transferable nature of the Upper Story RHID program allows developers to maintain the rebate after a redeveloped property is sold.

### Who were the key players involved in this project?

The TC2 Group includes local real estate brokers, accountants, architects, professional fundraisers, and contractors. Bringing former competitors and different kinds of people together at every stage of the project is important in a community-minded development group. The City of Emporia worked quickly to set local parameters once the state legislation for Upper Story RHID was set, and both City Engineering and Special Projects staff have been critical to project success. Local banks worked with the TC2 Group to offer competitive rates with the understanding that more development would likely emanate from the group. Emporia Main Street acted as a consulting entity to promote use of alternative finance (Upper Story RHID, Historic Tax Credits, etc.), and host discussions to keep the project on track.



Baldwin Motor Company Lofts in Emporia, Kansas. Photo by Shawn Honea for IM Design Group

# Q&A with Casey Woods

## OF EMPORIA MAIN STREET

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### What role(s) did/does Emporia Main Street play in supporting this and other housing projects?

Emporia Main Street acts as a pitch participant—communicating local opportunities to the group while highlighting best uses and elements of risk. The organization highlights alternative finance methods that may be used to reduce net project costs and enhance profitability. EMS also acts as a governmental liaison to ensure timely cooperative efforts between developers and local governance and promotes developments to increase pre-leasing of spaces. The Main Street works to create positive consensus from local citizens by organizing upper story tours and code team visits to facilitate interest in residential and commercial spaces. As issues arise, EMS works with developers to mitigate problems and generate equitable solutions.

### How would you describe the impact of this project on the Main Street district?

Downtown upper story housing has been a critical part of Emporia’s redevelopment strategy. Market rate housing in the downtown area placed consumers in proximity to local entrepreneurial businesses, and the result has been an increase in night life, extended store hours, and improved survival rates among local businesses. Rural midwestern communities spend a disproportionate amount of money on fuel, and the development of dense housing in walkable areas has allowed the conversion of fuel savings to supplement disposable income.

**Upper story housing has highlighted Emporia Main Street’s ability to help mitigate housing issues sustainably. No new streets, water, sewer, or other major services are built out for upper story housing, so the type of housing represented in upper stories is much more efficient for local governing bodies. The community’s construction development is relatively seasonal, and upper story housing also represents an area where construction crews can work indoors during the “off-season”.**

<sup>3</sup> Town Company Two (TC2) is a Limited Liability Company. When engaging in developments, it often creates a separate LLC per project.

# Bolstering Housing to Support Downtown Year-Round in Charlevoix, Michigan

## Charlevoix Main Street/DDA — Charlevoix, Michigan

2020 POPULATION (COMMUNITY)	2,348
2020 POPULATION (DISTRICT)	281
CHANGE IN POPULATION, 2010-2020 (DISTRICT)	+13%
CHANGE IN HOUSING UNITS, 2010-2020 (DISTRICT)	+7%
PERCENT OF HOUSING BUILT PRE-1940 (DISTRICT)	14%
PERCENT OF HOUSING BUILT 2010 OR LATER (DISTRICT)	1%

**FOR NEARLY TEN YEARS, CHARLEVOIX MAIN STREET (CMS) HAS BEEN WORKING TO MAKE THEIR COMMUNITY'S ECONOMY MORE SUSTAINABLE YEAR-ROUND.**

While summer tourism is a primary economic driver in the area, in recent years it's become clear that residents and other locals want and expect more from their downtown. In response, CMS has participated in several initiatives, including winter-specific special events and festivals and winter-focused promotion campaigns, and prioritized assisting year-round businesses over those that are only open seasonally. The local Visitor's Bureau has also supported this goal by targeting their advertisement dollars to non-summer months. The effects of these efforts have materialized over the last five years with a notable expansion in Downtown Charlevoix's busy season. Although Charlevoix Main Street sees successes, according to CMS Executive Director Lindsey Dotson, it also has become clear through the process, the only way to achieve a robust year-round economy is by increasing the number of residents in the district.



**CHARLEVOIX**



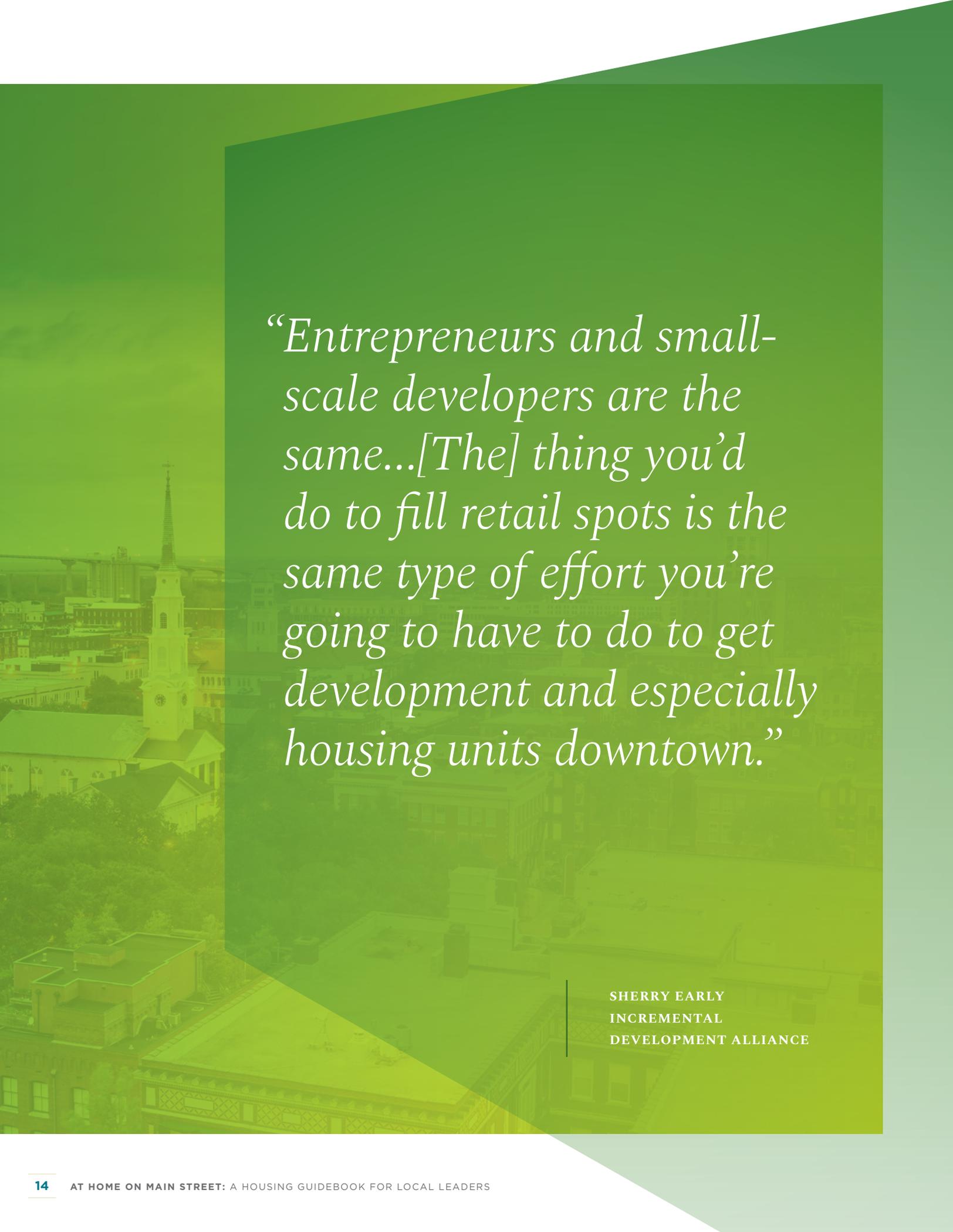
Charlevoix Main Street in Charlevoix, Michigan. Photo by Alex Childress

As a summer destination for tourists, the popularity of short-term rentals in Charlevoix puts pressure on the limited available housing options for long-term renters. For Dotson and Charlevoix Main Street, this issue was seen as one that was beyond what the organization could control, so they set their attention towards other ways they could contribute to housing needs in their community, such as rarely used second-story office spaces adjacent to surface parking lots, and smaller buildings that sat mostly vacant.

Other entities in Charlevoix also responded to the need for more housing, including a regional nonprofit organization called **Housing North**. The organization began working with the City on policy changes and programs, including strategies for managing the number of short-term rentals. A deed restriction program was also created that offers an incentive to property owners for placing a deed restriction on properties requiring them to be occupied by the same tenant for ten months of the year, regardless of whether the tenant is a renter or an owner. Interested in encouraging private investment in housing units that were deed restricted, Charlevoix Main Street developed a new Downtown Housing Incentive program in the form of a reimbursement grant that pays \$15 per square foot of a unit, new or remodeled, up to a maximum of \$25,000 per project. CMS worked with a team supported by Housing North, the Michigan Economic Development Corporation, the City Attorney, and the Economic Vitality Committee to draft program guidelines “from scratch” according to Dotson. The relatively new program has successfully awarded one grant so far, and Dotson states that while it “doesn’t seem like much, we acknowledge that this change will be slow and steady, and our program will likely only be the right fit for a handful of projects in its lifespan.”

Although housing had already been identified as an important next step for Charlevoix Main Street, the COVID-19 pandemic was the precipitating event that set housing solutions into motion. Dotson states:

*“Even though a lack of affordable housing has plagued our region for years, the pandemic is when we started to feel the effects of that shortage. It started to affect the quality of life that people expected to have while they were here. Longer wait times at restaurants, several days when restaurants had to close due to lack of staffing, all the way to quality of care given at our local hospital and long-term care facilities. It was what helped shine a light on the fact that we weren’t just missing affordable housing for service workers, but that we lacked entry-level and ‘missing middle’ housing options for all sectors of workers in our community, from public safety and first responders to nurses and educators.”*



*“Entrepreneurs and small-scale developers are the same...[The] thing you’d do to fill retail spots is the same type of effort you’re going to have to do to get development and especially housing units downtown.”*

SHERRY EARLY  
INCREMENTAL  
DEVELOPMENT ALLIANCE

# How Housing Strengthens the Main Street Approach

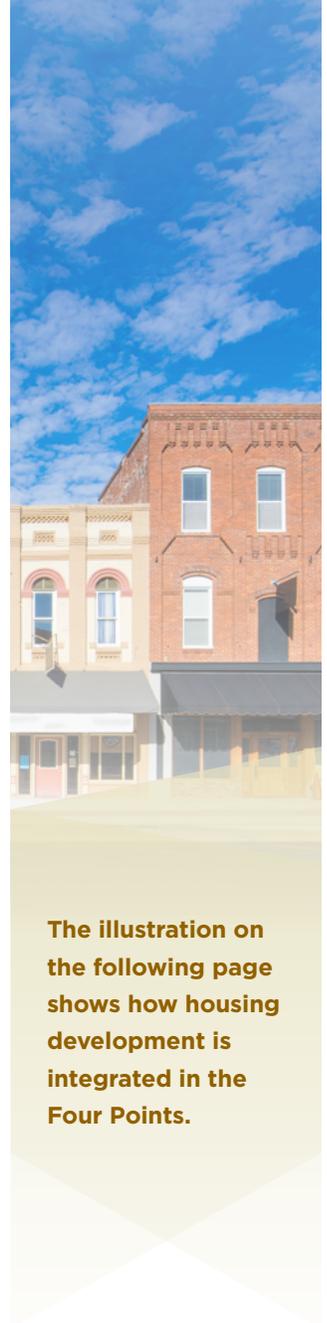
Occupied housing is a key ingredient of a downtown or neighborhood commercial district. Given the current shortage of housing units in much of the United States, Main Street programs have an opportunity to cultivate a stronger district while responding to a critical need. But the work of supporting housing development is no mere public service:

**Adding downtown residents supports the existing work of Main Street programs, through all aspects of the Main Street Approach.**

Housing was undoubtedly a component of nearly all Main Street downtowns and commercial districts at some point in their history, often in the upper floors of two- and three-story buildings. Today, many of these upper story spaces sit vacant and represent an opportunity for increasing social activity, community safety, and economic impact. There's no better way to preserve a building than to keep it fully occupied and put dollars in the pockets of the buildings' owners. In the words of Marilyn Kaplan, founder of Preservation Architecture, speaking at a recent workshop for the Association of Preservation Technology International:

*“Vacant upper floors are arguably the greatest [housing] opportunity we have hiding in plain sight.”*

MARILYN KAPLAN



**The illustration on the following page shows how housing development is integrated in the Four Points.**

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## ECONOMIC VITALITY

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- ⌘ Residents are natural patrons of local businesses 24/7, downtown housing offers even greater potential for patronage, reciprocal relationships, and building a circular economy.
- ⌘ Opportunities for live/work arrangements.
- ⌘ Presents opportunities to create/expand small development opportunities to “nontraditional” actors, such as local entrepreneurs, small businesses, and community-based developers, etc.
- ⌘ Additional revenue for commercial property owners who have vacant / underutilized upper floors.
- ⌘ Real estate is a powerful wealth building tool/asset.
- ⌘ Maximizing use of existing infrastructure with upper stories is an economically sustainable approach to housing for local governments.



ECONOMIC  
VITALITY



ORGANIZATION

- ⌘ Housing development work involves cultivating partnerships with stakeholders—residents, community members, governmental agencies, funders, and developers—that can lead to support of a Main Street district in additional ways.
- ⌘ Attracting/facilitating housing development requires a long-term mindset, visionary approach, and follow-through for what a Main Street can be/offer.
- ⌘ Participating in local housing dynamics allows Main Street programs to play a larger leadership role in activities that shape their community and build opportunities for deeper community engagement.
- ⌘ Local residents have a vested interest in the work and success of their Main Street program, and increase the pool of potential volunteers, board/committee members, etc.

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## ORGANIZATION

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## DESIGN

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- ⌘ Upper floor units originally built as residences are frequently part of the historic fabric of Main Street districts. This sets the precedent for adding housing in these spaces through both rehabilitation of vacant spaces such as upper floors as well as new construction that combines commercial and residential uses.
- ⌘ Brings more development in general = more rehabs and infill development, more infrastructure, more people-centered elements into the built landscape.
- ⌘ 24/7 use of a Main Street area increases the design possibilities of the public space.
- ⌘ Making space for more full-time residents on major commercial corridors and intersecting streets is a key tenet of Crime Prevention Through Environmental Design (CPTED), supporting greater safety and a more inviting district.

### DESIGN

### PROMOTION

- ⌘ Downtown / district residents are invested in promoting their own neighborhood assets to others.
- ⌘ Residents are first to know and spread the word about new businesses, events, etc.
- ⌘ Having both commercial and housing development in a Main Street area shows a variety of uses and purposes that a district can fulfill, demonstrating its valuable role as the heart of a community.

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## PROMOTION

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The values that form the foundation of a new vision for Main Street housing aren't unlike the guiding principles that Main Street leaders carry out in their work, or the values set out in Main Street America's Strategic Plan:

- ❖ Main Streets are for everyone. We can support additional housing that is **accessible and affordable**, for long-time residents and newcomers alike.
- ❖ The Main Street Approach is **asset-focused** and centered on **place-based** economic development. By activating vacant spaces and building in vacant lots, we can leverage existing assets to bring about new vitality and additional density without demolition.
- ❖ Through **small-scale** housing development and **incremental change** to Main Street districts, we can support new entrepreneurs and existing small businesses, building community wealth and lasting, meaningful investment in communities.
- ❖ Giving housing more focused attention will increase the likelihood of long-lasting, **comprehensive** revitalization that is **resilient and future-focused**.

### Estimating the Economic Impact of a Newly Occupied One-Bedroom Apartment

Downtown residents support homegrown economic development and a robust downtown economy. The impact of each new downtown housing unit can be estimated with some quick calculations using the projected monthly rent of a downtown housing unit and data from the **U.S. Bureau of Labor Statistics' Consumer Expenditure Surveys**. As an example, using the most recent expenditure data from 2021 and a quick review of rental rates in two distinct Main Street communities—Mason City, Iowa, and Boston, Massachusetts—we can project the annual economic impacts of each newly added, occupied one-bedroom housing unit.

Our estimates here focus only on the types of businesses a new resident would likely frequent in their surrounding downtown or neighborhood commercial district. They are intended to illustrate the idea that such projections or estimates can be quickly performed. Estimates like these can be customized based on the number and kinds of businesses located in the downtown or neighborhood commercial district, and the degree to which a downtown resident would likely do some or all of their spending in businesses that are nearby, versus businesses further from the area or businesses operating only online. Thus, if a downtown area included virtually all the salons or restaurants in a community, one might presume that most or all of a new downtown resident's corresponding spending would land downtown.



Downtown Florence in Florence, South Carolina. Photo by True Light Photography

## Estimated Monthly Expenses

	Mason City, IA (Low Estimate)	Mason City, IA (High Estimate)	Boston, MA (Low Estimate)	Boston, MA (High Estimate)
<b>Rent / shelter</b>	\$600	\$1,000	\$1,500	\$2,750
<b>Food at home</b>	\$304	\$506	\$450	\$825
<b>Food outside the home</b>	\$163	\$271	\$281	\$516
<b>Household furnishings and equipment</b>	\$148	\$247	\$244	\$447
<b>Personal care products and services</b>	\$40	\$66	\$75	\$138
<b>Entertainment</b>	\$199	\$331	\$325	\$596
<b>Total MONTHLY Economic Impact of a New Household on Downtown Businesses</b>	\$1,454	\$2,421	\$2,875	\$5,271
<b>Total ANNUAL Economic Impact of a New Household on Downtown Businesses</b>	\$17,448	\$29,052	\$34,500	\$63,264

Numbers and projections alone can't tell the full story of the impact of newly-occupied housing. The advisors supporting this guidebook shared stories of how housing had a catalytic, transformative impact on their downtowns. At NewTown Macon in Macon, Georgia, the organization's leadership became strong believers in the premise that 'retail follows rooftops' after housing initiatives spurred the revitalization of Macon's central business district. In the words of Bethany Rogers, former Executive Director of the NewTown Loans CDFI, "The amount of money downtown residents spend on the products and services available to them turns out to be one of the most important steps you can take to build a vibrant commercial district, especially when it comes to supporting small, independent businesses."

In Emporia, Kansas, meanwhile, the "downtown is vastly different now than it was prior to a concerted housing push," said Casey Woods. Bringing more attention to housing had the effect of turning an area from a daytime business district to a complete neighborhood. "We didn't have an issue with crime before," said Woods, "but it definitely feels safer and more alive [now that there is more housing]. We get more volunteers for events and activities and more stewards of the environment." City officials took notice as well. "The more residents in the downtown area, the more focused our elected officials are on enhancing the core. Increased downtown populations enhance our ability to place businesses, and the increased [number of people] walking leads to enhanced storefront aesthetics."

# Transitioning from Daytime Use to a 24/7 Downtown in Michigan's Capital

## Downtown Lansing Inc. — Lansing, Michigan

2020 POPULATION  
(COMMUNITY)

112,796

2020 POPULATION  
(DISTRICT)

810

CHANGE IN POPULATION,  
2010-2020 (DISTRICT)

+38%

CHANGE IN HOUSING UNITS,  
2010-2020 (DISTRICT)

+82%

PERCENT OF HOUSING BUILT  
PRE-1940 (DISTRICT)

35.1%

PERCENT OF HOUSING BUILT  
2010 OR LATER (DISTRICT)

4.7%

**LANSING IS MICHIGAN'S CAPITAL CITY, AND DOWNTOWN WAS ONCE SEEN AS THE HEART AND HUB OF THE COMMUNITY WITH BOUTIQUE RETAILERS, DEPARTMENT STORES, RESTAURANTS, AND A VARIETY OF INDUSTRIES REPRESENTED.**

Over the course of the past 60 years, Downtown Lansing has changed as the area diverted focus from the needs of the city's residents toward the state office buildings and their employees.

The combination of state offices as well as the corporate and lobbying offices built up around them eventually led to a daytime population of Downtown Lansing of over 75,000 people. According to Downtown Lansing Inc.'s Executive Director Cathleen Edgerly, the community came to "rely on daytime workers to infuse light and life into our district." While several long-running businesses were able to stay open, many transitioned to eateries with hours limited to the earlier part of the day. In Edgerly's words:

*"Lansing got comfortable and [we] lost part of our identity."*



COVID-19 impacted communities across the world, and Downtown Lansing took a big hit. Virtually overnight, the downtown area experienced an 85-90 percent reduction in daytime traffic and sales, casting a spotlight on the need to regrow the residential population. Edgerly quickly realized they needed to focus more on the needs of Lansing residents—and especially Downtown Lansing residents—who call the city home at all hours of the day.

In 2020 and 2021, Downtown Lansing Inc. (DLI), got to work stabilizing the local economy and outlined a new strategic action plan. They set goals focused on making the community stronger coming out of the pandemic. One of DLI’s strategic goals focused on adding 2,000 new residential units to the downtown district by the end of 2025. So far, they have added 400 units and an additional 300 are slated for 2023. DLI is also working to diversify the business mix and amenities downtown and striving to make Michigan’s capital city more representative of the entire state. This work entails attracting businesses looking to open second or third locations in Lansing, meeting with large corporations in need of office spaces, and seeking inspiration and action for enhanced community spaces to serve residents.



People gathering downtown and enjoying *Lansing Alive* hosted by Downtown Lansing Inc.

Photo by Tinalooa Photography

*“After a year of tireless advocacy, we were successful in securing \$6 million in state funding for Downtown Lansing’s small business support programs, community space improvements, and increased staff capacity on our team.”*

With these funds, DLI is creating a revolving loan fund to support building and office space conversions downtown. DLI is also rolling out new small business support programs and is in the midst of a comprehensive market analysis looking at opportunities for new commercial and residential development, including smaller-scale infill development.



*“At first, the thought of being involved in discussions about housing seemed daunting to our organization, being that it is such a big topic and is usually dealt with by other organizations, but slowly we started to acknowledge a major gap that we could help fill.”*

LINDSEY DOTSON  
EXECUTIVE DIRECTOR OF  
CHARLEVOIX MAIN STREET

Photo Credit: Hawkeye Aerial Services

# How to Start Engaging with Housing Development

Many Main Street leaders may be interested in supporting housing development in their community but don't know where to begin. Our advisors suggested these first steps for those who are feeling new to this work.

## CHOOSE A HOUSING VISION

**Incorporate housing into a vision for your Main Street community based on what types of housing are desired and achievable. What housing is already working well in your community? What do you imagine for the future?**

**The forthcoming Housing Audit Tool from Main Street America can help you identify places that have similar housing characteristics and may share similar challenges (and potential solutions) with your community.**

Photo by Reedsport Main Street Program



*“You don't need to be an expert in all the types of buildings and developers. Just know the general trends.”*

**SHERRY EARLY, INCREMENTAL DEVELOPMENT ALLIANCE**

*“Find a place that's doing housing the way you want it done and spend time there. Bring developers, banks, appraisers, code officials, etc.”*

**CASEY WOODS, EMPORIA MAIN STREET**

*“Spend time in the planning department. Build a relationship. Don’t let them just tell you to go read the code. Get them to help you with specifics.”*

SHERRY EARLY



## FOSTER KEY RELATIONSHIPS

**Foster key relationships such as those with city planning staff, property owners, housing advocates and developers, code officials, and Community Development Financial Institutions (CDFIs). The right relationships can help get new projects started or stalled projects unstuck.**

*“I have an amazing relationship with the City. I meet with Development Services staff every two weeks and probably talked on the phone every other day. We joke that KFDA is basically a function of the city government.”*

**DARIN RUTLEDGE, DISCOVER KLAMATH VISITOR & CONVENTION BUREAU, FORMER EXECUTIVE DIRECTOR OF KLAMATH FALLS DOWNTOWN ASSOCIATION**



*“Get city and county officials to meet onsite before someone starts a project or even purchases a property. This can shorten project time frame, save money, and eliminate some uncertainty.”*

**CASEY WOODS**



Renaissance Covington, Kentucky



Efforts in Corning, Iowa are underway to renovate the historic Widener building (built 1896) to add ground-floor commercial and upper-floor residential units. Main Street Corning, Iowa



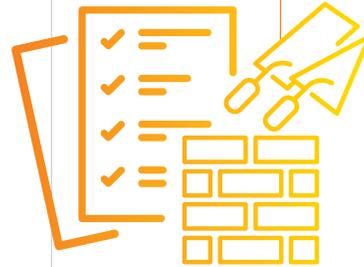
*“Main Street Managers are on the ground: [Get to] know the buildings, the businesses, what’s coming up.”*

**JOI CUARTERO AUSTIN, MAIN STREET AMERICA, FORMER MANAGER OF BATAVIA MAINSTREET**

## ORGANIZE BUILDING INFORMATION

**Gather and centralize information about local buildings and keep an updated repository. Build a system that makes it easy to reference property information and Main Street assets like vacant and built spaces that might be used for housing and property owners’ contact information.**

See pages 35-37 for more information on developing a useful inventory of assets



*“Know everything about who owns the building stock.”*

**CASEY WOODS**

*“Build a pipeline of additional downtown housing. Identify buildings that would be good candidates.”*

**DARIN RUTLEDGE**

## FAMILIARIZE WITH THE HOUSING MARKET

See pages 45-47 for more information about understanding and promoting housing development potential in your district.

**Understand the housing market in your community. Being familiar with the supply and demand for housing can help you assess interest in certain housing types and provide insights into the unique housing situation in your area. A market study can both inform and validate the housing vision for your Main Street area. Find out what local incentives may be available for housing development in your downtown.**

*“[Relative to the impact it can have] a market study is one of the simplest and most affordable first steps you can take.”*



**BETHANY ROGERS, MAIN STREET AMERICA, FORMER EXECUTIVE DIRECTOR OF NEWTOWN LOANS**

*“One thing I wish I’d known was how far behind we were. We were way low on inventory. One or two changes to conditions, and it could have become a crisis.”*

**DARIN RUTLEDGE**

*“Have the data on who comes to a Main Street. Profile the market and characterize who’s coming.”*

**SHERRY EARLY**

## ENGAGE RESIDENTS AND OTHER STAKEHOLDERS

**Engage with residents and other stakeholders to ensure a diversity of views on housing development are heard. Main Street programs operate at the intersection of many local entities and are well positioned to facilitate dialogue about housing developments.**

*“We have a large medical center. Those professionals working there want walkability, multimodal transport, bike infrastructure, and restaurants.”*

**DARIN RUTLEDGE**

*“Create a community-initiated development plan. Host charettes and gather community input. Meet people where they are.”*

**CASEY WOODS**



Renovation in progress in Marshalltown Central Business District — Marshalltown, Iowa.

*“[As a Main Street program, you’re] in a position to help people build local wealth. How do you encourage people to look at the next building, then the next building? The out-of-town, out-of-sight, out-of-mind folks are where things fall apart.”*

JOI CUARTERO AUSTIN

## NURTURE HOMEGROWN DEVELOPMENT

**Nurture a culture of homegrown small-scale development. Main Street programs already champion the notion of homegrown entrepreneurship, which can extend to the realm of homegrown small-scale developers. Those who live in the community will likely remain invested in the quality and outcomes of their projects and properties in both the short and long term.**



*“Property owners are small business owners. We can assist them the same way [we support small business owners], by understanding how to increase their bottom line by developing their spaces? How do we get property owners to take the leap to make their buildings 100 percent occupied with multiple sources of income?”*

JOI CUARTERO AUSTIN

*“I am very pro-‘home grown.’ [Home-grown developers are] people who have commitment and a relationship with a community. If I’m working as a developer in my hometown, there are things I’ll do extra—things that tenants get from me that they wouldn’t get from someone from elsewhere.”*

SHERRY EARLY

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PROJECT SPOTLIGHT

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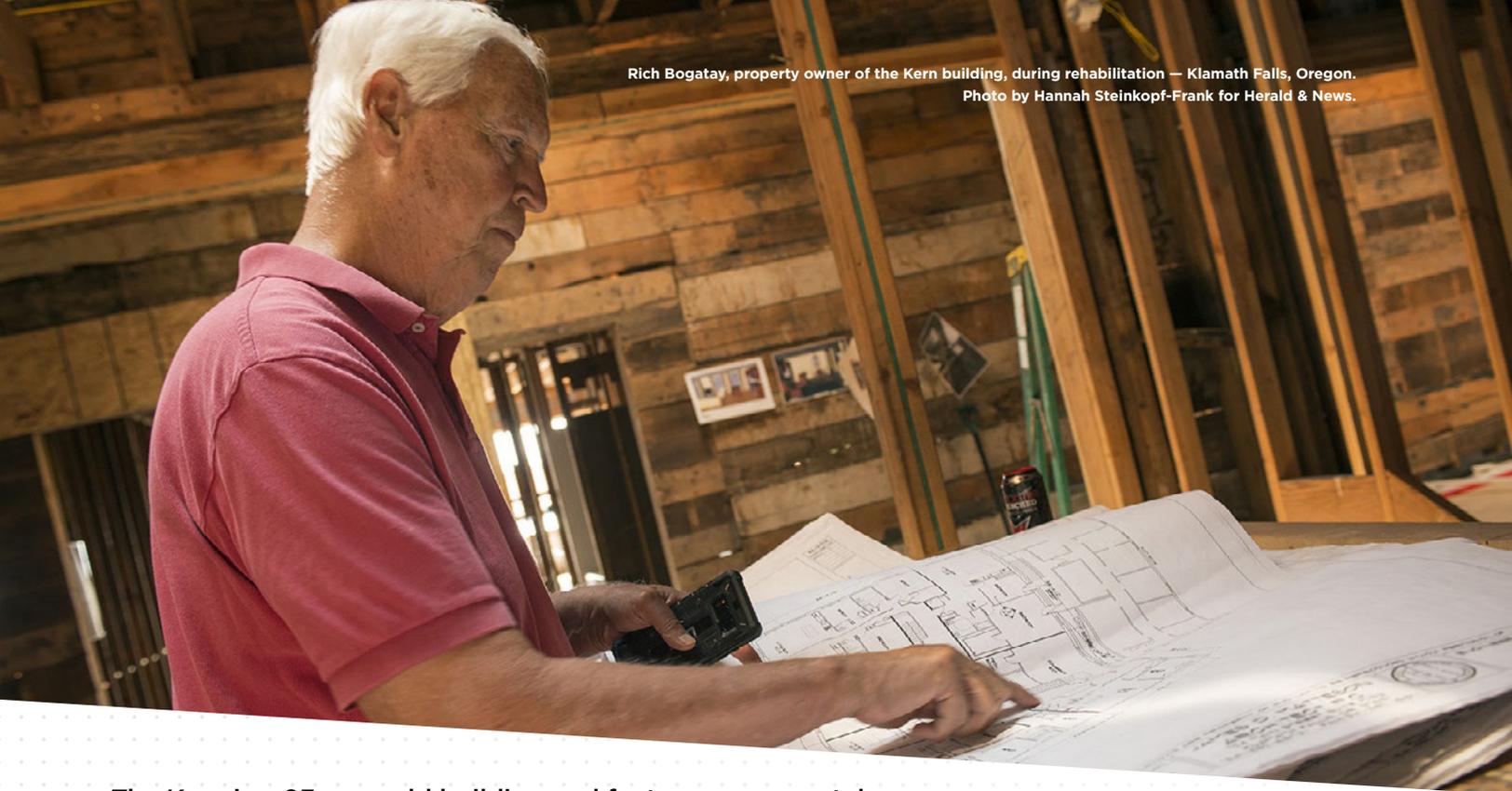
# Local Institutions Join Property Owners to Guarantee Occupancy Downtown in Klamath Falls, Oregon



A local institution, property owners, and downtown Klamath Falls all benefited from two rehabilitation projects with the support of an Oregon Main Street Revitalization grant. We spoke with Darin Rutledge, former ED of KFDA, Kendall Bell of KFDA, and property owners Amy McKay and Rich Bogatay to learn more.

## OVERVIEW

In 2017, the Main Street program in Klamath Falls, Oregon, Klamath Falls Downtown Association (KFDA) partnered with two building owners to leverage funds from the Oregon Main Street Revitalization grant program into the rehabilitations of two downtown properties. Ultimately resulting in an additional 24 residential units in downtown Klamath Falls, the two buildings were the Kern, owned by Rich Bogatay, and the property at 630 Main, owned by Peerless Properties, of which Amy McKay is a principal. Both rehabilitations utilized the grant funding secured by KFDA to incorporate elevators for second floor access and benefited from a 10-year lease agreement with Oregon Health Sciences University/Oregon Tech (OHSU). The Kern was completed in October of 2017 and 630 Main was completed in July of 2018.



The Kern is a 93-year-old building and features ornamental brickwork on its parapet as well as materials from the old Klamath Brick and Tile Company. Property owner Bogatay worked with his son, a general contractor, Darren Bogatay, and local designer Rayna Larson to renovate the second story of the building into four one-bedroom units and four two-bedroom units. While aiming for a modern feeling, the team worked to reuse much of the original millwork on the interior. The apartments range from 850-1,500 square feet, and amenities include onsite laundry, a conference room, an elevator, and indoor bicycle storage.<sup>4</sup>

**FUNDING** The pro forma was based on a long-term lease with Oregon Health Sciences University/Oregon Tech (OHSU). While the lease rates for the residential units were planned to be below market rate, the tradeoff was a 10-year guarantee on the spaces whether or not they were occupied.

**“This is a creative way to build a pro forma for similar projects and would be an excellent model that could benefit property owners and large employers by providing reasonably priced workforce housing” said Darin Rutledge, former Executive Director of KFDA.**

The Oregon Main Street Revitalization grant was secured by KFDA in 2017. 2017 was the launch year of the grant program, and to date it has supported more than 57 historic preservation projects throughout Oregon.<sup>5</sup> While typically the grant is intended for one project, in this case, the applicant, KFDA board member Kendall Bell, was able to extend the funds to two properties sharing the same goal of adding housing units to downtown Klamath Falls. Applying to use the funds for upper-level development, the \$100,000 grant that was awarded was able to be split evenly between the two buildings, each gaining \$50,000 to use towards the installation of elevators (a necessary cost of a little over \$100,000 per property).



The Kern building during rehabilitation in Klamath Falls, Oregon.  
Photo by Hannah Steinkopf-Frank for Herald & News.

**KEY PLAYERS** Bell of KFDA initiated conversations with both property owners and worked with them to help see their projects through. Bogatay and McKay both note that Bell played a pivotal role. Besides providing needed housing units, the project was intended to catalyze additional development downtown.

**According to Bogatay, “lots of people haven’t done a project like this and it scares the heck out of them.” Learning from his experiences, he recommends that other building owners taking on rehabs prioritize projecting costs line by line, and states that detailed budgeting allowed him to complete this project for about \$150k less than originally planned.**

Redevelopment of upper floors is a common challenge across the nation, and Bell points out that in Klamath Falls the City did not initially recognize its value. She recalls that KFDA sponsored workshops, including one with Mike Jackson of Upstairs Downtown, and invited building inspectors, building owners, and City officials to attend. With more education and as more successful projects have emerged, the City is now fully on board. Bell also points to a solid inventory of buildings and upper floor spaces as key for Main Street programs looking to support this type of work.

On KFDA’s grant support, Nic Phair, president of the board, stated: “We’re happy to assist in helping get a grant for both the Bogatay and the McKay buildings to finish up those projects and some of the needs they have in order to accomplish things like elevators. It’s a really good motion toward the economic vitality of our downtown and [we] hope that other building owners follow suit.”<sup>6</sup>



Interior and Exterior of 630 Main in Klamath Falls, Oregon, post rehabilitation.  
Photo by Amy McKay (left) and Kendall Bell (right).

**IMPACTS** OHSU at The Kern is surrounded by the restaurants, shops, and local attractions that Klamath Falls has to offer. General contractor Darren Bogatay predicted that the new residents at The Kern would “create a lot of activity for downtown.” OHSU rural campus site coordinator Racyne Parker confirmed that students are becoming regulars at local businesses and attending seasonal events: “you’ll see students shopping at Holiday Market and eating at The Daily Bagel, Thai Orchid, Rodeos Pizza...”<sup>7</sup>

Property owner Amy McKay expressed that she and her husband were very pleased with how the project came together and how it has performed since opening. She’s considering taking on another upper-level housing project soon. McKay and

Bogatay both hope for an extension of their leases with OHSU but are confident in the value of these projects into the future even if the agreements aren’t renewed. Housing issues in the Klamath Basin remain an ongoing discussion, but projects like the downtown OHSU residences showcase opportunities for mutually beneficial arrangements between multiple parties. In the case of these projects in Klamath Falls, the OHSU lease agreements and Oregon Revitalization grant were vital components of making two rehabilitation projects into successes for property owners and downtown dwellers alike.

4 <https://homeandoutdoormag.com/restoring-downtown/>

5 [https://www.oregon.gov/oprd/OH/Documents/2022OMS\\_Impact\\_Report.pdf](https://www.oregon.gov/oprd/OH/Documents/2022OMS_Impact_Report.pdf)

6 [https://www.heraldandnews.com/news/local\\_news/upstairs-living-downtown/article\\_5f1639d1-76ea-52e3-ae17-7b1c48e36ca6.html](https://www.heraldandnews.com/news/local_news/upstairs-living-downtown/article_5f1639d1-76ea-52e3-ae17-7b1c48e36ca6.html)

7 <https://homeandoutdoormag.com/restoring-downtown/>

# Supporting Housing for Everyone Amidst Inequities in the Old Algiers Community in New Orleans

## Old Algiers Main Street — New Orleans, Louisiana

2020 POPULATION (COMMUNITY)	383,282
2020 POPULATION (DISTRICT)	7,287
CHANGE IN POPULATION, 2010-2020 (DISTRICT)	-9%
CHANGE IN HOUSING UNITS, 2010-2020 (DISTRICT)	-7%
PERCENT OF HOUSING BUILT PRE-1940 (DISTRICT)	38%
PERCENT OF HOUSING BUILT 2010 OR LATER (DISTRICT)	1%

**OLD ALGIERS MAIN STREET CORPORATION IS A 25-YEAR-OLD ORGANIZATION DEDICATED TO THE PRESERVATION AND REVITALIZATION OF THE OLD ALGIERS COMMUNITY, WHICH IS COMPRISED OF THREE DISTINCT NEIGHBORHOODS ON THE WESTERN BANK OF NEW ORLEANS: ALGIERS POINT, MCDONOUGH, AND WHITNEY.**

Old Algiers has a distinct history that sets it apart from many other Main Street districts. About 300 years ago, Algiers was known as a disembarking point for enslaved African people brought to the fledgling city of Nouvelle Orleans. For more than two centuries, Algiers was controlled by private plantation owners. Some formerly enslaved individuals received land grants along with their freedom, and to this day there are families who reside in the community who are descendants of those who were brought to New Orleans in bondage.

Local history carries forward in complex ways that are still seen and felt today. Although some families passed down generational wealth through land ownership, Algiers grapples with disinvestment throughout its three neighborhoods. In the mid-1970s, Algiers Point began attracting renovations to its historic, grander homes, while McDonogh and Whitney—largely comprised of smaller, plainer housing—continued to decline. In those decades, many homes in these neighborhoods were managed by absentee landlords or simply abandoned.

Valerie Robinson, President of Old Algiers Main Street, describes the area as “not a typical downtown, with a few blocks of commerce on a ‘Main Street’ surrounded by residential developments.” The community historically was comprised of independent groceries, pharmacies, bakeries, restaurants, bars, and other retail at street level with living quarters above. While many of the buildings that previously housed these businesses and residences are still standing, efforts to spur redevelopment have encountered challenges. According to Robinson, the financial feasibility of using the upper floors for housing is often not viable without operating the commercial spaces below, and many of the storefronts would require significant reinvestment to be put back into use.

Today, the Old Algiers Main Street area is comprised of commercial buildings scattered throughout several streets alongside single-family residences, duplexes, and small apartment complexes. Robinson shares that although the area did not flood in the aftermath of Hurricane Katrina, many of the older buildings suffered significant damage. Though demolition is not permitted in the section of the community that falls within a local historic district, just outside those district boundaries, many properties have been torn down, leaving vacant lots.

In the past decade, new houses have been constructed throughout Algiers, but Robinson explains that the new development that has occurred has not served the needs of the existing residents or low to moderate income families who may want to live in the community. “Price tags of these new homes are from \$400,000 to \$1 million, while median income is around \$40,000” says Robinson.



For the past four years, Old Algiers Main Street Corporation has worked with housing agencies, advocates, and affordable housing developers to develop a strategy for rehabilitation, new infill construction, and small-scale, multi-family units that can provide quality, affordable housing. They advocate for building along the primary commercial corridors using the locally common two-story corner-store model and other mixed-use development types, and they are working with the Crescent City Land Trust to strategize ways to promote these modes of residential development. For many residents, living along these commercial corridors offers vital transportation options and access to jobs.

Regarding the housing efforts being made by Old Algiers Main Street, Robinson states:

*“We hope we can see a way forward to create residential [options] — owner-occupied and rentals — to serve all who may wish to live in the Old Algiers community.”*



*“Ensuring development of downtown housing in previously vacant upper stories is a top-tier reason why Woodbine’s decade of downtown revitalization has been so impactful.”*

DEB SPRECKER  
EXECUTIVE DIRECTOR,  
WOODBINE MAIN STREET

The District — Quincy, Illinois



Photo by Molly Kluver

**Later this year, Main Street America will release a housing inventory tool to help track housing needs.**

# How to Take Stock of Your Housing Assets

Before getting engaged in housing development, it is important to understand the current housing assets in your downtown or neighborhood commercial district. Consider the following questions:

- ❖ How many housing units exist in my downtown or neighborhood commercial district? How many are vacant? How many are owned or rented? How much do they cost to purchase or lease?
- ❖ How many vacant upper floors are in my Main Street district? How many vacant buildings? Of the available vacant space, how much is residential-ready in terms of building code, zoning, land use status, and access to infrastructure? How many lots in the area could accommodate new development of housing or mixed-use space?
- ❖ Who owns the buildings and parcels of land in my Main Street district? How could I get a hold of those property owners? Which property owners could I most easily reach if I have a quick question about the property?
- ❖ Who currently lives in my downtown or neighborhood commercial district? What kind of people are interested in moving to the district?
- ❖ What infrastructure or utilities are supporting my Main Street? How old is the infrastructure relative to its expected length of service? How much additional capacity can the existing infrastructure handle?

Likely all but the most veteran Main Street leaders who are attuned to the real estate assets in their district would struggle to answer these questions at a moment's notice. But making the effort to gather and organize answers is far from impossible.

## The importance of building an inventory of assets

The proper response to this challenge: Build an inventory of the assets and marketplace for housing in your Main Street. This inventory could take a variety of forms: from a rolodex or notebook to a digital database or customer relationship management system. Use what works for you, but aim for the inventory to be:

- ⚡ **Well organized and structured**—Capture the same information for as many spaces, people, and other assets as possible
- ⚡ **Backed up and shareable**—Build redundancy into your method and put it in the hands of your colleagues and peers
- ⚡ **Digital**—By keeping the inventory in an electronic format, you allow it to be viewed quickly and updated regularly.

### What kind of assets to track?

Whether on a spreadsheet or on a digital map, a good inventory of built assets in a Main Street would likely include the following pieces of information:

- \_\_\_ Street address
- \_\_\_ Use(s) of the primary building at that address, if applicable
- \_\_\_ Number of floors in the primary building at that address, and square footage per floor
- \_\_\_ Occupancy / vacancy status of each floor in the building (including current or last known use)
- \_\_\_ Number of commercial spaces in the building
- \_\_\_ Number of residential units in the building
- \_\_\_ Name(s) of the property owner(s) and contact information
- \_\_\_ Name(s) of businesses operating in the building
- \_\_\_ Name(s) of business owners and contact information
- \_\_\_ Land use classification/zoning
- \_\_\_ Current lease rates for commercial and residential spaces in the building, if known
- \_\_\_ Other notes on property characteristics — e.g., year built, historic designation status, previous known uses of the property, etc.
- \_\_\_ Other notes on the property owner(s) — e.g., last point of contact, questions, best way to contact, etc.



Cameron Building in Downtown Hastings, Nebraska.  
Photo by Molly Kluver.

## How can keeping a current inventory of built assets help Main Street programs?

Become the go-to source for information about real estate and development in your district.

Communicate with FEMA in the aftermath of disasters, which was recently noted by Main Street Coordinators in Florida and Kentucky.

This information can also be valuable when local non-emergency information needs to be communicated to specific properties, e.g., upcoming regulatory hearings, construction closures, etc.

Connect it with the broader local and statewide goals for development to be even more powerful.

Across the United States, cities and states have set goals for housing growth. How many vacant spaces in your downtown or neighborhood commercial district could accommodate housing?

Establishing an inventory and understanding its significance to development are two important steps to take to lead your district toward more development opportunities.

## Catalyzing the “Woodbine Effect” in Southwest Iowa

### Woodbine Main Street — Woodbine, Iowa

2020 POPULATION  
(COMMUNITY)

1,618

2020 POPULATION  
(DISTRICT)

263

CHANGE IN POPULATION,  
2010-2020 (DISTRICT)

+33%

CHANGE IN HOUSING UNITS,  
2010-2020 (DISTRICT)

+29%

PERCENT OF HOUSING BUILT  
PRE-1940 (DISTRICT)

38%

PERCENT OF HOUSING BUILT  
2010 OR LATER (DISTRICT)

2%

**WOODBINE MAIN STREET (WMS) WAS ESTABLISHED IN 2008 IN WOODBINE, IOWA, A RURAL COMMUNITY OF 1,600 PEOPLE. ACCORDING TO EXECUTIVE DIRECTOR DEB SPRECKER, AT THIS TIME THE DOWNTOWN HAD TEN VACANCIES AND A BUILDING INVENTORY WITH “GOOD, BUT WEARY BONES.”**

The recipient of the Great American Main Street Award in 2014, Woodbine has since made great progress in their redevelopment goals, including the development of downtown housing. “Ensuring development of downtown housing in previously vacant upper stories is a top-tier reason why Woodbine’s decade of downtown revitalization has been so impactful,” says Sprecker.

Although there were misconceptions regarding downtown housing when the Main Street program started, Sprecker indicates that the community is now completely sold on the importance of the quality, affordable downtown units they’ve added and the energy those units give to the overall vibe of the nine-square-block downtown historic district. “We have a good mix of market-rate and [low-to-moderate income] housing, increasing capacity from eight livable units to 37 peppered throughout downtown.

*“From lab chemists to new teachers to retired farmers, the downtown housing choices fit the bill for affordability, convenience, and simply interesting and beautiful places to live.”*

Mixed use historic buildings in Woodbine, Iowa. Photo by Woodbine Main Street.



In Woodbine, upper-story units have been an important and catalyzing force that has spurred other housing efforts taking place in town, such as a project partnering a local foundation and a high school to initiate infill housing construction in vacant lots ([www.ignite-paths.com](http://www.ignite-paths.com)). Recently, a developer has also begun a 20-year housing development master plan that includes a mixture of affordable and custom-built homes, with the potential for multi-family options in the future as well. WMS is also currently working with a building owner to add an additional market-rate housing unit upstairs in a century-old creamery which had been vacant for several years, using grants and local private funding.

Though initially reluctant and skeptical, Sprecker explains that the City Council now fully supports improving livability downtown and understands the importance of working with Main Street on multi-family projects funded in part with Community Development Block Grants (CDBG) from the U.S. Department of Housing and Urban Development. City Council members also recognize the benefits to the city, such as increases in the tax base. Another helpful metric has come from Woodbine Municipal Light & Power, which conducts an annual survey of usage and quantifies the revenue gains captured from upper-story units.

The success of the WMS program has had a widespread impact, in part due to its ability to attract community leaders from other towns in southwestern Iowa. Through their open-door policy for downtown tours and other means of sharing information and strategies, successes in Woodbine have become blueprints for successes elsewhere. Sprecker says Main Street Iowa calls this ripple effect the ‘Woodbine effect’—and its power comes from the idea that if Woodbine can do it, other communities can too.

Woodbine Main Street is committed to maintaining an active relationship with other community development groups and leaders and believes that Main Street experience and state-wide network is an important component of local housing development. “The work we’ve done as a community here in Woodbine will resonate for years to come,” says Sprecker.

*“The ripple effect on housing is a Main Street legacy we will continue to prioritize, in downtown and within the community.”*

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PROJECT SPOTLIGHT

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# Small-Scale Developer and Main Street CDFI Add Housing in Downtown Macon



NEWTOWN MACON

Assisted by a loan from NewTown Macon, a local developer rehabilitated two historic buildings and added twenty residences and a large commercial space to downtown Macon.

## OVERVIEW

The Brevhouse Lofts building at 458 Street in Macon, Georgia, is the result of the rehabilitation of two side-by-side historic structures into twenty apartments above a large commercial space. The project was completed in the summer of 2020 and amenities include basement laundry and storage units, and a rear courtyard with a deck and stage. NewTown Macon is an independent nonprofit that focuses on economic development and revitalizing Downtown Macon. The downtown development organization is a Main Street program and a Community Development Financial Institution (CDFI) and advised on and helped finance the project. Historic Macon Foundation, the local preservation organization, was contracted to submit historic preservation tax credit applications on behalf of the developer, which ultimately reduced out-of-pocket costs. Funding sources for Brevhouse Lofts included a primary commercial real estate loan from a regional bank and a secondary loan from NewTown Macon, as well as State and Federal Historic Tax Credits.

# Q&A with Bethany Rogers

## FORMERLY OF NEWTOWN LOANS

### What was the site of the project and what did its redevelopment entail?

The development incorporated two separate historic structures at 452-458 Second Street. The project consisted of apartments on the first, second, and third floors that vary in size and style from two-bedroom, one-bath units to one-bedroom, two-story units with spiral staircases, to one-bedroom units with large balconies on the rear of the building. Unique amenities to the building include a basement laundry and storage units and a rear courtyard with a deck and stage. The first floor also includes a 2,700 square foot restaurant space that is currently available to lease.

This project was a big historic preservation win — it was covered in a typical 1970s façade sheath and had sat abandoned for years. The developer, Ashok Patel, rolled the dice when he purchased the building — he wasn't sure if the building would be tax credit eligible until he removed the façade siding, but most of the original details were there, including a beautiful tile section of the façade that reads "Independent Laundry".



Developers Ashok and Kunj Patel in Brewhouse Lofts in Macon, Georgia.  
Photo by Jessica Whitley Photography and NewTown Macon.

### What were the project costs/uses?

#### PROPERTY ACQUISITION:

**\$655,000** (purchased in 2018)

#### CONSTRUCTION: \$2.1 MILLION

#### DEVELOPMENT: \$465,000

(includes loan interest, permitting, architect fees, historic preservation tax credit consulting fees, FF&E)

#### TOTAL: \$3.2 MILLION

### How was the project financed?

**\$655,000** equity/purchase of property

**\$1.8 million** primary loan from a regional bank (55% of loan to value)

**\$500,000** secondary loan from NewTown Macon

**\$460,000** in federal historic tax credits

**\$225,000** in syndicated state historic tax credits<sup>8</sup>



Residential interior and exterior of Brewhouse Lofts in Macon, Georgia. Photo by Kunj Construction USA (left) and Jessica Whitley Photography and NewTown Macon (right).

### How did NewTown Macon finance this project?

The source of NewTown Macon's loan funding for the Brewhouse Lofts was a Program Related Investment (PRI) from a local foundation.

**PRIs are becoming increasingly popular tools for foundations to provide their nonprofit partners with needed funding to achieve impacts aligned with their philanthropic mission, while also getting repaid for their investment.**

To set up a PRI, foundations often divest a certain amount of their endowment and loan it to their partners at costs below market rate. In NewTown Macon's case, the nonprofit uses their PRI funds to make secondary real estate loans that spur development projects which would not happen without the additional financing that reduces developers' out of pocket costs.

### Who were the key players involved in this project?

The developer, Ashok Patel, is a first-generation Indian immigrant to the US. He and his son, Kunj Patel, own and manage Kunj Construction USA. Through education programs and outreach, NewTown Macon has sought to empower first-time and/or BIPOC Macon residents to purchase downtown commercial and mixed-use properties. NewTown Macon's real estate projects are also a success because of partnerships with a set of community and regional banks who have gotten both comfortable and committed to financing downtown housing development. NewTown's integral partnership with the Historic Macon Foundation on construction projects that rehabilitate historic properties in the downtown National Register district have resulted in more historic preservation tax credits executed in Macon's central business district than any other city in the country.



First floor restaurant at Brewhouse Lofts in Macon, Georgia.  
Photo by Ben Dunn.

### What role(s) did/does NewTown Macon play in supporting this and other housing projects?

NewTown serves as an important bridge between the local development community and our city government. We worked with Macon-Bibb to issue municipal bonds, which serve as a fund source for our loan program, and we counsel developers on the City's permitting process. Our investments have increased project property values over six-fold and increased our local tax base by over \$1.3 million annually. We have also been intentional about getting banks and investors confident in the downtown market, so our developers have more avenues to access financing. And because we are focused on building an inclusive downtown, we developed an Entrepreneur's Academy program to help aspiring developers, especially first-time women and BIPOC developers, make successful investments in Macon's urban core.

### How would you describe the impact of this project on Macon's downtown district?

Second Street was a desolate block between Macon's Main Street, Cherry Street, and another active pedestrian street, Poplar. When the Brewhouse Lofts and a couple of other retail storefronts opened in 2019 and 2020, the block was transformed and made for a more enjoyable downtown experience. The increase in downtown residents and the foot traffic generated from the first-floor restaurant space (now available again to lease) also had real economic impacts for neighboring small businesses.

8 The developer syndicated the state historic tax credits generated from the project at \$.75 on the dollar. In Georgia, 25 percent of all QREs are eligible for preservation tax credits up to a cap of \$300,000.



*“Downtown upper story housing has been a critical part of Emporia’s redevelopment strategy. Market rate housing in the downtown area placed consumers in proximity to local entrepreneurial businesses, and the result has been an increase in night life, extended store hours, and improved survival rates among local businesses.”*

CASEY WOODS  
EXECUTIVE DIRECTOR,  
EMPORIA MAIN STREET

Steamboat, CO. Photo by Main Street Steamboat.

# How to Promote the Housing Potential in Your Downtown

By understanding your Main Street’s housing market and the spaces where housing could take root and catalyze vitality, Main Street leaders can champion positive change.

This can take a variety of forms, but two jump out and deserve focus here: completing a housing market study of your district and developing fact sheets on key properties needing rehabilitation or infill development.

## Housing Market Analysis 101

Whether you contract out with a consultant to develop a housing market study or begin to fashion one yourself, understanding your downtown or neighborhood commercial district’s housing market is an important step toward successful housing development.

*“Even casual research can be a great starting place. Online research on Loopnet and Zillow [can help] determine rent rates in the community and how long it takes properties to lease, and conversations with general contractors and real estate loan officers can help figure out [the current costs of] rehab and construction. Any of that compiled data is a jumpstart for a developer considering a project.”*

BETHANY ROGERS, FORMER EXECUTIVE DIRECTOR OF NEWTOWN LOANS IN MACON, GEORGIA.



Community Transformation Workshop, 2019, field visit to Fredericksburg, Virginia.



**Caroline Bank corner before and after rehabilitation in Florence, South Carolina. Florence Downtown Development Corp.**

**A housing market study usually answers the following questions:**

- ❖ What kind of housing is currently available in your district?
- ❖ What are current occupancy and rental rates in your district?
- ❖ What kinds of people live in your district currently?
- ❖ What residents could your district likely attract from other areas?
- ❖ What kinds of housing would likely be readily absorbed by housing demand if they were added in your district?
- ❖ How fast would the new units likely be leased or sold?
- ❖ What rents would new housing units likely attract?

In addition to providing a guide to the current and potential future states of housing in your district, a housing market study can serve as an important marketing tool for attracting experienced developers to build or rehabilitate buildings in your community. By showing some numbers, including reasonable estimates of the quantity and qualities of housing units that could readily be rented once available and the rents those units would likely attract, you provide housing developers and housing finance professionals the information that shows whether and how they could make a project happen.



### Craft Site-Specific Fact Sheets Highlighting Key Housing Opportunities

According to Sherry Early, Executive Director of the Incremental Development Alliance and an expert advisor supporting this guidebook, being able to profile the housing market with basic data on who visits your district is a good starting point, but that can be taken further for specific properties that have particular potential. If you have a vacant building that is an eyesore in your downtown, Early suggests you work with local experts on the building, zoning, and life/safety codes in your city and talk through a variety of development scenarios. Together with local experts, try and answer questions like:

- ❖ What does current code allow in terms of density and use of the structure?
- ❖ What would be the major hurdles or pitfalls for adding new or additional housing to the building? What are some potential solutions to overcome through barriers?
- ❖ What is the state of the current infrastructure that touches the building?
- ❖ What incentives are available for activating the structure?

With those answers documented, along with photos of the building and a map of the site, design an attractive one- or two-page document about the development potential and distribute that to banking officials, realtors, architects, and developers operating in the area. Activating an eyesore can catalyze further development and growth, and knowing everything you can about how that could happen—down to the pathways in the building code—makes it all the more likely your district will get there.



*“Housing used to be a ‘201, 301, or 401-level’ Main Street activity, but we are now seeing how starting with housing can be beneficial to all other work of the Main Street revitalization efforts.”*

MICHAEL WAGLER  
STATE COORDINATOR,  
MAIN STREET IOWA

The Fowler in downtown Boise. Photo by Gabe Border for Roundhouse.

# How Are Main Street Housing Projects Funded?

To support housing development, Main Street leaders don't need to become experts in housing finance, but it will likely help to know some of the basic language as well as some funding sources that can often be leveraged in Main Street contexts.

## Terms to Know

**ACQUISITION FUNDING** Acquisition funding refers to the financial resources used to purchase a property or land that will be developed for a specific use. It can come from a variety of sources and can be secured through a variety of means, including personal funds, traditional bank loans, private loans, or through partnerships with other investors.

**CAPITAL STACK** A capital stack refers to the unique combination of financing that is used to fund a real estate development project. It includes all forms of capital, including debt, equity, and any other financing instruments that are used. The capital stack carries impact for the overall risk profile of a project and the financial returns that investors can expect to receive. The capital stack is best understood as a hierarchical arrangement, in which the base of the stack is the most stable, most regulated, and least risky (often a foundational loan / bank debt) and each subsequent component above it is riskier, less regulated, and offers a higher potential return for investors or lenders. The top of the capital stack is typically comprised of common equity owned by the developer or other owners of the project.

**“MAKING IT PENCIL”** In the world of real estate development, “making it pencil” means establishing feasible and realistic projections that a real estate project's revenues will exceed expenditures. In other words, if a project pencils, it is seen as financially viable.

**PROFORMA** A proforma is a projected balance sheet of expenses and revenues to assess whether a real estate development project “pencils” or not over the course of multiple years—essentially, whether it is financially feasible. The expenses often included on a proforma include the acquisition cost of the property (including debt servicing), projected rehabilitation expenses, and future property maintenance and property management expenses. The sources of revenue are generally projected rents and tax benefits. A proforma can be thought of as an exercise to see if revenues can match or exceed expenditures over a multi-year period.

**QUALIFIED REHABILITATION EXPENDITURES (QRES)** When rehabilitating a historic structure and leveraging historic tax credits, investments in renovations, restorations, and/or reconstruction are often referred to as “qualified rehabilitation expenditures,” or QREs. According to IRS, NPS, and Treasury regulations, QREs must involve components of the building itself and cannot involve removable features like cabinets, carpeting, fencing, or decks. Feasibility studies, financing, and acquisition costs are not QREs. Lastly, to be a QRE, the rehabilitation must be certified by the National Park Service as being consistent with the historic character of the property or district in which the property is located.

**TAX CREDIT SYNDICATION** This refers to a process when tax credits are sold to a third party who then sells the credits to individual or corporate investors. In the process of syndication, the third party will often pay a discounted rate, or less than \$1 for each \$1 of tax credits. Tax credit syndication is commonly necessary as many developers do not have enough qualifying income for the tax credits to be fully useful.

## Sources and Types of Funding to Know

**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)** Community development block grants (CDBGs) are grants administered by the U.S. Department of Housing and Urban Development awarded to counties, cities, and towns for the purpose of supporting livable communities for persons of low-to-moderate incomes.

**Biggest strengths:** CDBGs are highly flexible and can be used for a variety of housing-related activities, including the acquisition and rehabilitation of housing for people with low-and-moderate incomes. CDBGs can also support public services, infrastructure, and activities related to energy conservation and renewable energy.

**Biggest challenges:** CDBG funds are awarded to entitlement communities (places with at least 50,000 residents) and states for distribution to smaller cities and many rural areas. For smaller communities, these funds can be difficult to access as funding dispersed through state agencies is limited.

**FEDERAL HISTORIC REHABILITATION TAX CREDIT (HTC)** Available to owners of income-producing properties listed on the National Register of Historic Places or located in and contributing to National Register Historic Districts, the Federal Historic Tax Credit delivers a 20 percent tax credit on qualified rehabilitation expenses put toward substantial improvements of the property. Many states have **state-wide historic tax credit programs** that can be “stacked” alongside the federal HTC.

**Biggest strengths:** The federal HTC program is well established and well utilized. It has helped to preserve over 44,000 buildings, and 40 percent of projects are located in low- and moderate-income areas. The 20 percent tax credit benefit is significant.

**Biggest challenges:** To utilize the HTC, properties must be listed individually or as a contributing property in a historic district. Certain requirements can make the tax credit unwieldy for small-scale developers and nonprofits. Many developers do not have adequate tax liability or qualifying income to benefit from tax credits without involving tax credit syndication, which is often a complicated process.

**HOPE VI MAIN STREET GRANT** The Main Street grant administered by the U.S. Department of Housing and Urban Development is aimed at supporting the development of affordable housing located in older or historic downtowns in small communities that have relatively few public housing units. In recent years, up to \$500,000 has been awarded to counties and small cities with fewer than 50,000 residents.

**Biggest strengths:** The Hope VI Main Street grant is targeted at the kind of Main Street communities found throughout the Main Street America network, and it is focused on housing development, whether through new construction, rehabilitation, or conversion of existing commercial buildings to residential uses. The grant also requires that the community have a downtown revitalization effort in place, an easy requirement for Main Street communities to pass.

**Biggest challenges:** Very few grants—generally only one or two—are awarded each year.

**LOW-INCOME HOUSING TAX CREDIT (LIHTC)** The Low-Income Housing Tax Credit is intended to boost the supply of low-income housing and can be used for construction, rehabilitation, or acquisition of qualified low-income rental housing. A portion of the housing supported through LIHTC must be rent restricted and available only to tenants whose incomes are 50-60 percent of the area median income. The amount of available tax credits is determined annually by Congress and allocated to state housing agencies for administration of the program.

**Biggest strengths:** The program is large—the largest current program for the production of affordable housing run by the U.S. federal government. The LIHTC program has supported the development of 3 million housing units since it was created in 1986.

**Biggest weaknesses:** Despite its size, each year, there are far more applications for credits than there is funding. The program is tailored toward new construction rather than rehabilitation, and the application process is complex and cumbersome, particularly for small or new developers. Finally, the LIHTC program requires a long-term financial commitment from developers as units must remain affordable for a 15 to 30-year period.

**NEW MARKET TAX CREDITS (NMTC)** The New Market Tax Credit program is a federal program designed to spur investment and support job creation in low-income areas.

**Biggest strengths:** The NMTC program is well established and can be used in combination with a variety of other sources of funding.

**Biggest weaknesses:** NMTCs are more readily suited for commercial development and mixed-use development than purely residential development. If using NMTCs for residential or mixed-use projects, developers should take great care to ensure they're abiding by the program's complex requirements.

**OPPORTUNITY ZONES** The Opportunity Zone program was established by the federal government in 2018 to direct investment into economically challenged areas, as defined by states. Investors in properties or businesses in designated Opportunity Zones can receive tax incentives such as deferred capital gains.

**Biggest strengths:** The program steers investment to economically distressed communities.

**Biggest weaknesses:** Areas that were not designated Opportunity Zones at the program's outset are ineligible. Most designated Opportunity Zones have not received investment through the program.

**PAUL BRUHN HISTORIC REVITALIZATION GRANT** A program operated by the National Park Service, grants of \$200,000 to \$750,000 are awarded to state historic preservation offices (SHPOs), tribal historic preservation offices (THPOs), Certified Local Governments (CLGs), and nonprofit organizations for the purpose of supporting the rehabilitation of rural historic properties and fostering the economic development of rural communities. Eligible recipients can sub-grant funds to a chosen suite of rehabilitation projects on properties listed or eligible for listing on the National Register of Historic Places.

**Biggest strengths:** As a grant program focused on the preservation of historic structures, Paul Bruhn dollars are well-suited to closing financing gaps in investment in complex rehabilitation projects. **One recent application** of these funds in Minnesota communities was focused on activating upper floors and converting them to housing.

**Biggest weaknesses:** Only 10-12 grants are awarded each year. The Paul Bruhn Historic Revitalization Grant is a relatively new program, created in 2019, that needs growth in appropriations funding to provide more substantial support.

**PRE-DEVELOPMENT FUNDING** Pre-development funds are sources of funding that can be used for market analysis, legal work, appraisals, building/site investigation, feasibility studies, and other similar work. Oregon Main Street has a grant program that sometimes goes toward to pre-development activities. Federal CDBG money (see above) is also sometimes applied to pre-development activities and expenses.

**Biggest strengths:** Pre-development funds can take some uncertainty and risk out of a project by covering the costs of market studies, identification of building- or site-specific challenges prior to construction, and other work that occurs prior to significant investment or activity. Pre-development funds are typically treated as low- or no-interest loans if a project is developed but are often forgiven if the project does not move forward.

**Biggest weaknesses:** These funds are often difficult to access outside of personal funds or support from friends and family or other closely-affiliated investors.

**PROGRAM RELATED INVESTMENTS (PRIS)** Program-related investments are typically set up by foundations and other philanthropic organizations as a way to spur social enterprises. Housing and community development are common applications of PRIs.

**Biggest strengths:** PRIs allow foundations to invest in profit-seeking enterprises in a manner akin to grantmaking, while still requiring payback on a long-term and/or low-interest basis. They operate in a manner akin to revolving loan funds (see below) but are administered by philanthropic organizations.

**Biggest weaknesses:** Nationally, only about two percent of foundations deploy PRIs, and those that do deploy these funds often target them to very specific geographies. Many Main Street communities may not be located in an area where there are housing-focused PRIs. Additionally, PRIs are highly regulated by the IRS, and many foundations lack experience in deploying these investments and can be hesitant to use this tool.

**REVOLVING LOAN FUNDS** Revolving loan funds can be publicly or privately operated. They are generally set up to give favorable loan terms to particular kinds of development projects, and in this model, loan payback revenue replenishes the fund and thereby supports additional projects into the future. Many counties and municipalities are currently making use of American Rescue Plan Act (ARPA) funds to create or contribute to revolving loan funds, and in some instances, these ARPA-supported revolving loan funds have been focused on housing development.

**Biggest strengths:** Revolving loan funds are structured to be self-sustaining. Given widespread demand for housing, revolving loan funds focused on housing production have good likelihood of longevity and success.

**Biggest weaknesses:** Managing a revolving loan fund will incur operational costs, including managing loan repayments, so self-sufficiency of these programs can be challenging.

**TAX INCREMENT FINANCING (TIF)** Tax increment financing is a tool often used by municipal governments to capture the increased tax revenues that accompany public investment or new development and leverage the revenue to support further improvements in the area.

**Biggest strengths:** In many states, cities are given wide leeway to determine uses for TIF funds, including infrastructure improvements and housing development.

**Biggest weaknesses:** By their nature, TIF programs divert general tax revenues that could be used for public services like schools, parks, fire fighters, sanitation, and policing.

## With New Industries Comes Rapid Housing Development in Northern California

### Eureka Main Street — Eureka, California

2020 POPULATION  
(COMMUNITY)

26,512

2020 POPULATION  
(DISTRICT)

1,165

CHANGE IN POPULATION,  
2010-2020 (DISTRICT)

+13%

CHANGE IN HOUSING UNITS,  
2010-2020 (DISTRICT)

+20%

PERCENT OF HOUSING BUILT  
PRE-1940 (DISTRICT)

38.6%

PERCENT OF HOUSING BUILT  
2010 OR LATER (DISTRICT)

0.4%

EUREKA IS A TOWN OF AROUND 26,000 PEOPLE LOCATED ALONG THE COAST OF NORTHERN CALIFORNIA. NO EXCEPTION TO THE HOUSING SHORTAGE THAT IS BEING FELT ACUTELY THROUGHOUT CALIFORNIA, AN ARRAY OF FORCES IS ADDING PRESSURE TO THE HOUSING MARKET IN EUREKA.

One thing is clear: more housing is needed to balance out the demand for living spaces in and around the community, something that Executive Director of Eureka Main Street, Amanda Kruschke, points out has become increasingly apparent in the last two years. Although the town is comprised primarily of older homes and known for its Victorian architecture, multiple new multifamily housing development projects have broken ground in Eureka recently. Eureka Main Street (EMS) has also undergone shifts in the last few years, transitioning from being an independent organization to a part of the local city manager's department and experiencing changes in its staff leadership and board.

In 2018, the City of Eureka introduced a 2040 General Plan that set the stage for zoning updates and other land use changes. New industries coming to the area are bolstering the pace of development, including a new wind farm in the region, the construction of the world's longest fiber optic line (stretching from Humboldt County to Singapore), and the expansion of Cal Poly Humboldt University, located less than fifteen minutes from downtown Eureka. The push for transit-oriented development has also increased alongside the university expansion and a city council decision to move forward with more sustainable transportation options in a town that Kruschke describes as a

“relatively rural and car-centric” place. She adds that this transition and the other numerous changes have been rough and led to disagreement in the population of Eureka around what to prioritize as a community.

According to Kruschke, while some of the housing construction that has occurred on the fringes of town has not generated much attention, one of the more controversial projects approved by Eureka’s City Council in the spring of 2022 is sited in the heart of the Main Street district. The project is called the EaRTH Center (Eureka Regional Transit & Housing Center) and will serve as the city’s mass transit hub and a mixed-use, commercial/multifamily housing development. The housing units are intended to be affordable to residents with a mix of incomes, ranging from \$20,000 to \$70,000. According to Kruschke, two of the more divisive aspects of the project have been misconceptions around the affordability of the units, as well as the fact that the site of the EaRTH Center is currently occupied by two City-owned surface parking lots. Many business owners in the downtown area have expressed concerns about the loss of parking spaces in this denser part of town, despite a recent city parking study in Downtown Eureka indicating that there was sufficient parking in the area. The study has been a key point of support for individuals interested in pursuing additional housing development on downtown land previously used for parking. During a public comment session Barbara Groom, owner of Lost Coast Brewery which is located next to the site, stated “This is the busiest parking lot in the city of Eureka. You’re coming into the middle of the busiest part of town and gutting our parking— why? It doesn’t have to be there... It’s a wonderful project, but let’s think about the businesses that are down there paying the taxes and putting bread on people’s tables.”<sup>9</sup>

Others have acknowledged the difficulty of the parking situation downtown but still see the project as worthwhile. Eureka Councilmember Kim Bergel stated “I worked in Old Town 15 years now, and it was hard to find a parking place, and so I hear what business owners are saying. And I want the project. So I want us to be able to mitigate those issues together and move through, so that we can have a win-win situation. So I’m all-in on this project, with that caveat.”<sup>9</sup>

Kruschke states that even those who oppose some of these new development projects like the EaRTH Center agree that more housing, particularly affordable housing, is needed in Eureka. Some have pointed out vacant spaces downtown that they see as priorities for housing creation through rehabilitation, and other members of the community advocate for densification through ADU (accessory dwelling unit) construction on developed lots.

The EaRTH Center project is scheduled for completion in 2024, and the outcomes of the growth in and around Eureka will be playing out for years to come. As of now, the Eureka Main Street board stands against the project based on the disapproval from members of the business community and will revisit its priorities around local housing development starting in the new year. It is inevitable that in Eureka, “the make-up of the town and the businesses in it are going to change,” says Kruschke. Despite the uncertainties, Kruschke also notes that some local business owners are open to the type of growth occurring and feel confident that more residents downtown will lead to more customers.

9 <https://lostcoastoutpost.com/2022/feb/10/earth-center-go-eureka-council-approves-ambitious/>



*“Develop a relationship with the Building Code Official and ensure City (or County) leadership share a vision for reuse of existing buildings that’s in alignment with application of the building codes. Codes are more fluid than people think, but the power really rests with the ‘comfort level’ or ‘acceptability’ of non-prescriptive code solutions when it comes to retrofits.”*

NICHOLAS VANN  
DEPUTY STATE HISTORIC  
PRESERVATION OFFICER,  
WASHINGTON

Renovation in Marshalltown Central Business District — Marshalltown, Iowa

# How to Approach Codes and Regulations

Building codes and regulations are often regarded as barriers to the redevelopment of existing buildings as well as impediments to infill projects that Main Street leaders would like to see in their communities.

In the May 2022 *At Home on Main Street* report, we highlighted that state and local rules and processes are often perceived as prohibitively difficult in Main Street contexts where older and historic buildings dominate, projects are more likely to be small scale and highly customized, and funding is trickier right off the bat.

In 2021, members from the Association for Preservation Technology International (APT) and the Main Street America Network joined together to create a task force dedicated to examining building codes and their applications in downtowns and historic commercial districts. The goals of the **APT Main Street Task Force** include education, compiling examples and data, and recommendations for changes at the national level.

Main Street leaders are equipped to support their communities in navigating code barriers through things they already do, such as: retaining detailed knowledge of their district and its built environment, tracking relevant resources, building key relationships and partnerships, and advocating for strategic changes that will support economic opportunity for locals.



**The Daisy operates on the ground-floor of a mixed-use building with upper-story housing in The DISTRICT: Czech Village & New Bohemia, Iowa.**

## Key terms

Here are some of the basic terms you might hear when engaging building codes and regulations. As an additional resource, the second chapter of the International Existing Building Code has detailed definitions and explanations.

### AMERICANS WITH DISABILITIES ACT (ADA)

The accessibility standards issued under the ADA lay out requirements for buildings with the goal of physical access for people with disabilities. They apply to newly constructed buildings and alterations to existing buildings. While in many cases adherence to accessibility standards involves permanent design or built changes to a site, temporary accommodations such as removable ramps and doorbell sets can also help to alleviate certain barriers at a lower cost.

**BUILDING CODE OFFICIAL (BCO)** The officer or other designated authority charged with the administration and enforcement of the adopted building codes. Typically, this is someone who works for the municipality with jurisdiction over the building permit process, but in smaller jurisdictions, the permit process review may be contracted with a third party. It is important to develop relationships with the BCO to ensure a shared vision for reuse and continued use of existing buildings.

**CHANGE OF OCCUPANCY** A change of occupancy occurs when alterations to a building or a portion of a building change the occupancy classification officially associated with the building. Relatedly, a *change of use* refers to changes of use within the same occupancy group classification. A change of occupancy or use requires approval from a code official and can affect thresholds related to safety, accessibility, structural strength, fire protection, means of egress, and ventilation or sanitation. In some instances, documentation of the historic use of Main Street upper floors as residences can expedite new housing in vacant upper floors. By lobbying for an identified former use to count as the current use, projects may bypass code requirements associated with a change of occupancy if the local Building Code Official is amenable.

**EGRESS** A means of egress is an unobstructed path to leave a building and is a critical component of fire safety. In many instances, two means of egress are required in buildings, but there are exceptions depending on occupancy load, use, and total square footage of the building. When complying with ADA standards, means of egress must be accessible.

**FIRE SAFETY** Many Main Street buildings were originally designed with fire safety in mind, which influenced their typical masonry construction, 2-3 story heights, and uniform parcel sizes. Today, fire code compliance is just as important as ever to help safeguard people and property. Although many Main Street buildings employ fire-resistant features, they often lack automatic fire protection technologies and require updating when undergoing substantial alterations. Active fire protection systems, such as alarm systems and automatic sprinklers, aid in the control of smoke and fire spread. Passive fire protection systems include physical barriers such as firewalls and smoke partitions and can help to prevent ignition and spread. Some existing assemblies may have archaic fire ratings that may not require additional intervention to provide adequate fire separation.

**INTERNATIONAL EXISTING BUILDING CODE (IEBC)** The purpose of the IEBC is to encourage the use and reuse of existing buildings. In the case of alterations, additions, repairs, and changes of occupancy it seeks to achieve appropriate levels of safety without requiring full compliance with new construction standards. The IEBC covers topics such as seismic evaluation, performance objectives, and new and replacement materials. There are three compliance methods offered by the IEBC: Prescriptive, Work Area, and Performance.

## Alleviating the hurdles of codes and regulations

- 1. KNOW THE TERMINOLOGY** For beginners, developing fluency around some of the basics and frequently used terms within the topic of building codes can be a great starting point.
- 2. KEEP AN UPDATED BUILDING INVENTORY** Maintain a database that contains building details and/or become a resource for where and how to track down necessary information. More information can be found in the section on taking stock of housing assets taking on pages 35-37.
- 3. LOOK AT SOLUTIONS IN OTHER MAIN STREETS** Become familiar with solutions to common code-related barriers that arise in main street construction projects (Egress, ADA, fire codes, etc). How have similar projects in other locales approached these issues?
- 4. FAMILIARIZE WITH THE IEBC** Get a sense of the International Existing Building Code (IEBC) and identify if it's adopted in your community. If it isn't, consider advocating for its adoption, as it can ease the code compliance for construction projects involving older or historic buildings. Each state has its own rules on what jurisdictions can do or must do to adopt the IEBC in local ordinances.
- 5. ORGANIZE A "CODE TEAM"** In Emporia, Kansas, the Main Street program supports a group of planning, development, building code, and engineering staff who meet onsite with developers and would-be property owners before they start a project or purchase a property. This can help to shorten development time frame, save money, and eliminate some uncertainty.
- 6. HOST DISABILITY ADVOCATES** Bring disability advocates downtown to demonstrate where and how accessibility issues arise. This can help to show code officials what changes needed to be made and to understand what would be most useful.
- 7. PLAN WORKSHOPS WITH NEARBY MAIN STREET PROGRAMS** Consider coordinating with other Main Street leaders in your area to host workshops, assemble lists of regionally relevant resources, and engage with other agencies that have a stake in improving building code education and/or applications.

In certain situations, the performance-based pathway provides a critical option when buildings present seemingly impossible challenges to prescriptive compliance. The APT Main Street Task Force is currently developing tools and resources to ease the challenge of the performance-based pathway.

**SUBSTANTIAL ALTERATIONS/SUBSTANTIAL IMPROVEMENTS** Alterations or improvements to an existing building are categorized into three levels in the International Existing Building Code based on use of materials, reconfiguration of space and/or systems, as well as the amount of building area being modified. Substantial alterations/improvements will trigger more compliance measures for a project.

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## PROJECT SPOTLIGHT

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# Mixed-Use Redevelopment Transforms a Surface Parking Lot into a Hub of New Activity in Marion, Iowa



City and Main Street officials in Marion, Iowa, engaged Eagle View Partners to redevelop a strip mall and adjacent surface parking lot, and the resulting project is a mixed-use infill development that builds upon the historic fabric of the city's Uptown neighborhood. We spoke with Mark Kittrell, CEO and founder of Eagle View Partners, to understand how the project took shape.

### OVERVIEW

Broad and Main is a two-phase project located in Marion, a town in eastern Iowa that has rapidly grown from a population of around 26,000 in 2000 to over 40,000 today. The first phase was completed in November of 2022 and the second is set to open towards the end of 2023. Called Broad and Main on 7th, the first building, with a project cost of \$13 million, contains 35 one- and two-bedroom apartments on its two upper levels as well as eight commercial spaces on the first floor. The second building, costing \$16 million, will be residential only and is comprised of about 40 units. Incorporating a new plaza adjacent to the building site as well, Broad and Main re-envisioned central Uptown Marion through new construction strategically integrated into the historic core.



Before and during construction of Broad and Main on 7th. Photos by Google streetview.



## VISION

The idea for Broad and Main was formed over the course of many years and took ten years of planning. Kittrell was inspired by the development and amenities being built in big cities while attending a program at Harvard about a decade ago and set out to reshape these models for smaller cities. Broad and Main represents his seventh project that follows this theme. He cites public-private partnerships and strategic choices around phasing and parking solutions as essential components of his work to date. For Broad and Main, the first phase of construction was designed for a younger population interested in living in a walkable area close to eateries and lifestyle amenities. The second phase is geared towards an older population that may need more time to warm to the project and its offerings. According to Kittrell, once the project is established, it's easier to attract this second demographic. Phasing also allows densification to occur in stages. The project won four awards last year and is currently about 75 percent leased, about two months after the first building opened.

**“[Housing is] really the first piece in economic development for a small community that they’ve got to solve for, or you don’t grow population. Certainly not younger people. We’ve also done demographic studies two or three times now, and about 60 percent of the people that live with us in these properties are not from these communities — they’re moving in... It’s a pretty big deal in the economic development and sustainability of a small town.”**

**MARK KITTRELL OF EAGLE VIEW PARTNERS**



Residential unit in Broad and Main on 7th mixed use development. Image by Eagle View Partners.

## PLAN

The vision for the project was conceptualized as a piece of a larger plan to transform the region, beginning with impactful redevelopment downtown (uptown, in Marion's case). The site of Broad and Main is situated in central Uptown Marion, on the former site of the local train depot and its new plaza is adjacent to the old town square. The site was most recently occupied by a strip mall with surface parking in front. Designed to be a transformative project, Kittrell envisioned the potential of the site by first walking around the area and imagining how adding built fabric back in could create an environment that was more walkable than the former strip mall and would fit in with the historic surroundings.

Parking is often a contentious topic and Kittrell has had to navigate the complexities of it countless times. He recalls meeting with the main stakeholders for Broad and Main to identify underutilized parcels in the uptown area and finding practically all of them to be surface parking. There's limited space, and while stacking parking can be one option, it's incredibly expensive to construct. For Broad and Main, it was agreed upon that although it replaced a surface parking lot, the development would provide spaces to park all its own occupants on site. Broad and Main on 6th, the second phase of the project, has understory parking.



Rendering of the completed Broad and Main on 7th project in uptown Marion, Iowa. Image by Eagle View Partners.

## KEY PLAYERS

Kittrell is the founder of Eagle View Partners, the developer for Broad and Main. They worked with Shive-Hattery Architecture and DCI Group on the design and construction of the project. Kittrell emphasizes the importance of public and private partnership in executing the vision and plan for Broad and Main. Redevelopment was only made possible through a development agreement with the City of Marion as well as partnerships with the Marion Economic Development Corp, Marion Chamber of Commerce, and Uptown Marion, the local Main Street program. Kittrell says he's worked tightly with local Main Streets, and one of the first groups they made contact with in Marion was Uptown Marion. He points to good relationships with both local property owners and tenants as essential components of successful, transformative redevelopment, and believes that Main Streets can help to facilitate that.

## IMPACTS

The purpose of Broad and Main was to jumpstart transformational changes in Uptown Marion, and desirable ripple effects have already begun. According to Kittrell, new businesses have opened, and other redevelopment work is occurring adjacent to the project as well as a streetscape renovation parallel to the project site. This project was the first of its kind and demonstrates that there is a demand for this type of housing in Marion — the precedent that it has set is one of its greatest impacts that goes beyond the town's borders and can affect the entire region. "We really need more developers who know how this works," says Kittrell. "Bringing private capital and redevelopment along with solid public plans and partnerships can have a profound effect on a small community...it's showing which small and mid-sized communities are going to continue to grow and thrive in the next 20 years."

# Frequently Met Challenges

Throughout this report we've explored a variety of challenges faced by Main Street leaders. Here are some of the common ones shared across the network paired with ideas of first steps to take when tackling them sourced from throughout this report.

**CHALLENGE:** We lack financing tools to reduce uncertainty or unpredictability in housing development and rehabilitation.

**FIRST STEPS:** Historic preservation grants, program related investments, and leveraged American Rescue Plan Act funds represent a few promising paths supporting housing. Main Street America is currently beginning to pilot a Small Deal Initiative to drive investment into historic downtowns and commercial districts.

See pages  
49-53 and  
40-43

**CHALLENGE:** Many Main Streets have significant vacant spaces — especially vacant upper floor spaces — that could be renovated to support housing, but rehabilitation is incredibly challenging when property owners are absent or disengaged.

**FIRST STEPS:** Build an inventory of your downtown's assets, including both built assets and human assets. Craft one-page fact sheets about would-be catalytic properties, listing prospective solutions to the challenges an individual property would face in redevelopment. Cultivate relationships with property owners and develop a strategy to engage them, perhaps organizing your efforts by starting with those individuals who are easiest to reach. Know what properties may soon become available for purchase and have a shortlist of potential buyers who have local roots.

See pages  
8-11 and  
35-37

**CHALLENGE:** Small-scale developers and innovative housing models may seem far away from some locales, despite need.

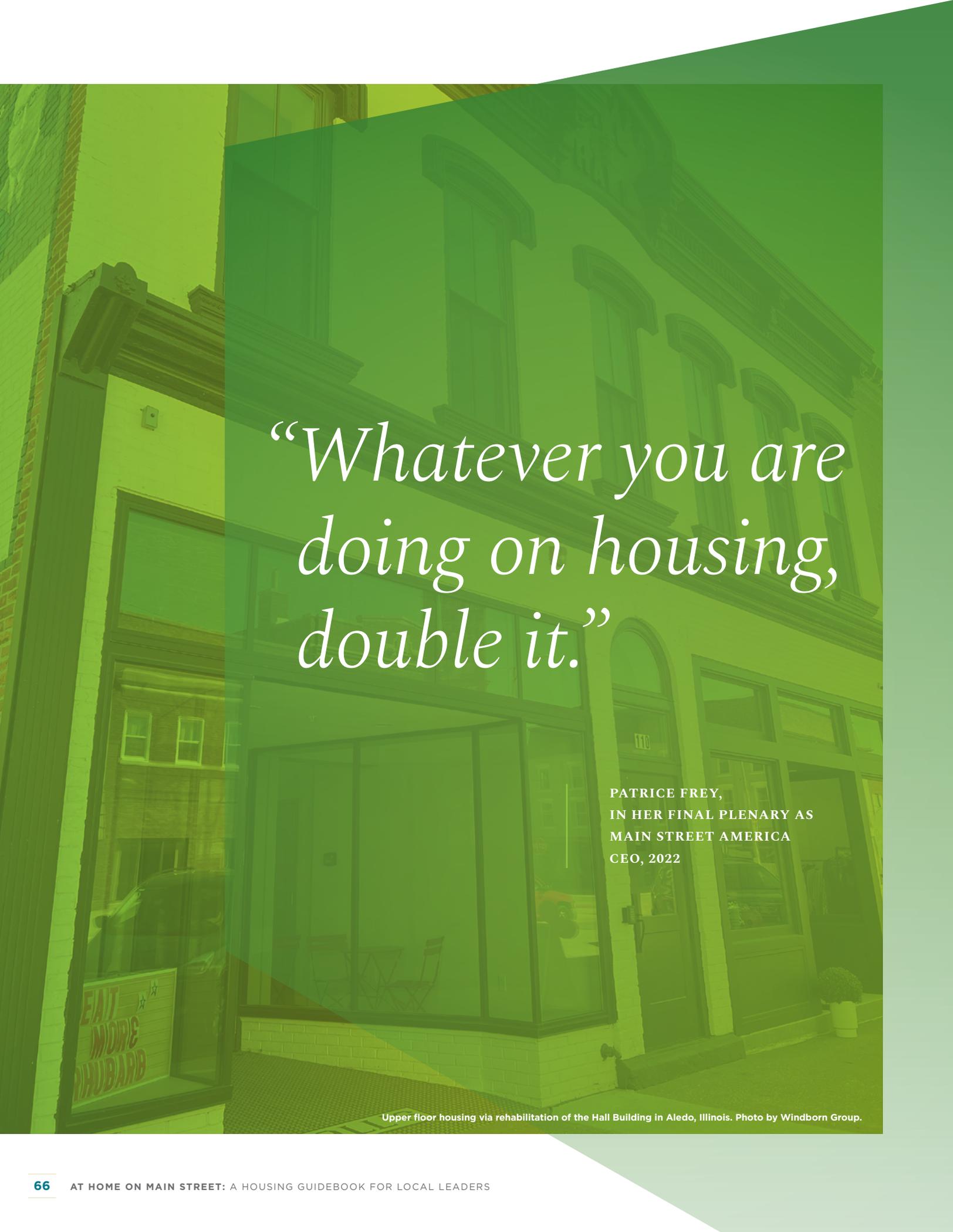
**FIRST STEPS:** Recognize that property owners and property developers are entrepreneurs and small business owners just like the ones Main Street leaders support every day. Develop your understanding of the concerns of property-focused entrepreneurs and seek to attract, retain, and support those individuals. Find creative or cool housing developments in other communities in your county or state, seek out information about how those projects took shape, and aim to lay the groundwork for similar action in your backyard. Main Street America is currently developing an online tool where communities can learn from the best practices of other Main Street programs.

See pages  
28-31 and  
38-39

**CHALLENGE:** The market for downtown living in some communities is not well understood, contributing to the perception that housing development is a big risk.

**FIRST STEPS:** Identify local or regional partners who would support a housing market study. Survey existing residents in your community and county to understand interest in downtown living and the factors that might boost interest. Work with public officials to understand the specific barriers to housing development in one or two key vacant spaces in your Main Street district.

See pages  
45-47 and  
60-63



*“Whatever you are  
doing on housing,  
double it.”*

PATRICE FREY,  
IN HER FINAL PLENARY AS  
MAIN STREET AMERICA  
CEO, 2022

Upper floor housing via rehabilitation of the Hall Building in Aledo, Illinois. Photo by Windborn Group.

# Conclusions

Our first housing report, published in May 2022, listed some of the major challenges Main Street leaders face in bringing about improved housing circumstances in their communities. This guidebook laid the groundwork for those local professionals to get started, but more work is needed at the local, state, and national levels.

For some local Main Street leaders, housing development may seem an impossible hill to climb or a non-priority. It's unfamiliar territory with its own lingo and its own sets of challenges. Property owners may seem like outsiders rather than friends or advocates.

This guidebook, along with the *State of Housing on Main Street* report published in May 2022, aimed to show that housing development should be a priority for Main Street programs across the U.S. We aimed to make the topic approachable, in part by leaning on the success stories and applied expertise of some standout Main Street professionals.

The idea of doubling down on downtown housing isn't purely theoretical. At Main Street Iowa, State Coordinator Michael Wagler has seen the opportunity and need and pushed hard to meet the moment. "Housing used to be a '201, 301, or 401-level' Main Street activity, but we are now seeing how starting with housing can be beneficial to all other work of the Main Street revitalization efforts," said Wagler. In Iowa, downtown housing leads to enhanced building valuations downtown,

a stronger base of customers for downtown businesses, a stronger base of volunteers for programs and events, sustainability for property owners by creating a steadier stream of income and allowing for more creativity and pickiness in their use of first floor spaces.

Stories of the successful engagement of Main Street programs in housing development conversations aren't hard to find. In this guidebook, we highlighted the work of local programs grappling with housing challenges and building on newfound successes in Michigan, Louisiana, California, Iowa, Georgia, and Oregon.

Looking ahead, we hope this guidebook will support even greater interest, greater engagement, and improved housing outcomes for property owners, business owners, residents, and public officials, in downtowns and neighborhood commercial districts across the country. More housing successes are undoubtedly in our future.

# Additional Resources

## Insights and Information on Incentives and Financing Programs

### Programs from the U.S. Government

Community Development Block Grant program (2022)

Hope VI Main Street Grant program (n.d.)

Federal Historic Tax Credit (2022)

Low-Income Housing Tax Credit program (2022)

New Markets Tax Credit program (2023)

Opportunity Zones (2022)

Paul Bruhn Historic Revitalization Grants program (2022)

### Resources with More Information about U.S. Government Programs

The Community Development Block Grant Coalition published **a report in 2022** on the importance of CDBG to communities.

The National Trust for Historic Preservation maintains information and resources about the Federal Historic Tax Credit as well as various state-level historic tax credit programs.

🔗 **About Historic Tax Credits (2022)**

🔗 **State Historic Tax Credits — Nationwide Data Center (2023)**

### Other Resources Related to Incentives and Financing Programs

Information on tax increment financing (TIF) can be found in a variety of online resources. Local Housing Solutions, a housing policy platform developed by the NYU Furman Center and Abt Associates, has a **comprehensive page on TIF here** (2023). Good Jobs First, an advocacy organization, has a helpful, **critical view of TIF here** (n.d.).

The Council of Development Finance Agencies maintains a Revolving Loan Fund Resource Center with a **variety of information on revolving loan funds** (n.d.).

The Opportunity Finance Network has a tool for finding **Community Development Financial Institutions** (2023)

The National Housing Conference has resources on the basics of financing affordable housing, including **this page with information on pre-development funds** (2023).

The MacArthur Foundation has resources on program-related investments (PRIs), including **this document** from 2010.

## Organizations, Trainings and Resources Related to Housing Development

Developer and small-scale development advocate Jim Heid authored the book, **Building Small**, an outstanding resource for those new to development and wishing to take on a small-scale real estate projects, and built on a decade of Small Developer Forums developed in collaboration with Urban Land Institute. In spring 2023, Building Small launched an interactive networking and peer learning platform to connect small developers and other allied professionals, provide a range of educational resources, and provide project coaching through an individual's project development arc.

**Housing Assistance Council**, a national nonprofit that supports affordable housing efforts in rural America through financing, technical assistance and training, research, and policy formulation.

**The Incremental Development Alliance (IncDev)** offers small developer workshops and boot camps as well as lectures, educational conference sessions and seminars on supporting small-scale real estate projects.

**National Development Council (NDC)** training, builds development finance capacity in professionals working at every level of the economic, housing, and community development profession.

**Upstairs Downtown** offers upper floor housing workshops, feasibility analyses, advanced building code technical assistance and assistance in access to capital.

## Other Recent Housing Reports from the Main Street Network

The Washington Main Street Program published its **Main Street Guide to Property Development** in 2021. It contains case studies and an overview of resources available to support property development in Washington state and elsewhere.

In partnership with Oregon Main Street, the University of Oregon Institute for Policy Research and Engagement conducted new research and developed case studies for its 2022 publication titled **What's Up Downtown? A Playbook for Activating Oregon's Upper Stories**.

## More Information Related to Codes and Regulations

**U.S. Access Board, Americans with Disabilities Act (ADA) Accessibility Standards.** Includes the standards themselves as well as a companion guide that explains and illustrates provisions in the standards.

**2021 International Existing Building Code (IEBC),** the latest version of the IEBC.

**International Code Council maps** showing code adoption by state including the IEBC.

# Acknowledgements

Shortly after the publication of the first “At Home on Main Street” report in May 2022, we shared insights from our analysis at the Main Street Now Conference in Richmond, Virginia. In the process of presenting the findings from the work, we were struck by the different degrees to which people nodded their heads very knowingly, offered richer insights from their own communities, and/or eagerly scribbled notes as we spoke. We took away from those presentations an understanding that there are many Main Street leaders who are successfully championing housing development already and that there are many other Main Street leaders who are still getting started. We also took note that there’s little substitute for the expertise of others who are in very similar positions—Main Street leaders hear and learn from one another all the time.

In that spirit, as we worked on this guidebook, we leaned on some of the experts already working in or with the Main Street network, starting with our core group of advisors: Joi Cuartero Austin, Sherry Early, Bethany Rogers, Darin Rutledge, and Casey Woods. We sought out the stories of Main Street successes and challenges when it comes to housing development, which led us to Kendall Bell, Lindsey Dotson, Cathleen Edgerly, Emily Hopkins, Amanda Kruschke, Valerie Robinson, and Deb Sprecker. Property owners and developers contributed expertise and helped with details on case study developments, including Rich Bogatay, Danny Heggen, Audrey and Mark Kittrell, and Amy McKay. Ashok and Kunj Patel allowed us to detail their Brewhouse Lofts project. Sheri Stuart and Michael Wagler shared their perspectives as coordinators of statewide programs where Main Street housing development is prioritized. Nicholas Vann helped us understand the challenging landscape of building codes and regulations, and Alyssa Frystak helped us figure how best to estimate the

economic impact of an added downtown housing unit. We are very thankful to have engaged with such a group of professionals. This report took shape with their knowledge as its foundation.

In the earlier stages of work on the guidebook, we conferred with a team of researchers at the University of Oregon, who published a report on upper floor activation opportunities in their state. Thea Chroman, Aniko Drlik-Muehleck, Alli Langley, and Tram Anh Hoang shared notes and early conclusions on what they were seeing as they neared completion of their project.

We also learned from participants in a one-day virtual conversation in March 2022 on the past, present, and future of Main Street housing. Those participants included: J’Tanya Adams, Mary Anthony, Joi Cuartero Austin, Anne Ball, Dionne Baux, Kendall Bell, John Bry, Mileyka Burgos-Flores, Dan Carmody, Shonterria Charleston, Chandra Christmas-Rouse, Thea Chroman, Amanda Elliott, Dan Ely, Patrice Frey, Alyssa Frystak, Cindy Heitzman, Luke Hallowell, Emily Hopkins, Kelly Humrichouser, Mike Jackson, Amanda Kruschke, Renee Kuhlman, Jim Lindberg, Mike Moore, Rachael Moore, Robert O’Brien, Kaity O’Reilly, Marta Olmos, Darin Rutledge, Mike Scholl, Trey Sherwood, Jon Stover, Sheri Stuart, LeJuano Varnell, Lindsey Wallace, Hannah White, and Casey Woods.

As our guidebook neared completion, our colleagues at Main Street America pored over the draft and gave comments and edits. To Rachel Bowdon, Patrice Frey, Alicia Gallo, Kelly Humrichouser, Matt Wagner, and Hannah White: thank you for your partnership and leadership.

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