

## **The Anacortes community has spoken, and we have listened!**

Many residents have asked the Anacortes Housing Authority to save the Olson Building. Our Board of Commissioners—two of our members formerly served on the Anacortes Historic Preservation Board—has voted to make every effort to preserve the Olson, a decision our Executive Director supports. Saving the Olson would preserve its original purpose of having retail space on the street level and affordable living quarters above.

**It can be saved!** Officials from the Washington Trust for Historic Preservation have examined the entire building, top to bottom, and these experts believe that the façade along Commercial Avenue and Third Street can be saved. A structural engineer, hired by the AHA, while detailing the significant work that must be done has reported that the building can be rehabilitated.

**The Olson is listed on the National Register of Historic Places**, which is the official list of the nation's historic places worthy of preservation. It also was placed in 2019 by the Washington Trust for Historic Preservation on its "Most Endangered Places" list. These designations are essential for obtaining historic building tax credits, such as the AHA obtained to rehabilitate the Wilson Hotel in 2006. Other sources of funding could include CDBG (Community Development Block Grants), new market tax credits, competitive tax credits, HOME (Home Investment Partnership), bond capitalization and conventional financing. Other than the historic building tax credits, these potential sources are competitive, and while we will have a strong application there are no guarantees that our application will be successful.

Finally, because the AHA owns the building and surrounding land outright, it is also an attractive investment for conventional mortgage lenders. Nevertheless, the Affordable Housing Sales Tax measure provides critical funding and seed money that will help the project attract lenders. Passing the measure demonstrates strong community support, which will significantly boost our chances of obtaining funding.

There is, however, an important caveat. With any restoration project, no one knows until they get inside the walls, floors, and foundation how much work will need to be done and whether it is feasible.

The building will require new plumbing, heating and electrical systems. It must be retrofitted to withstand earthquakes, and it will need new insulation, windows, and a roof. Even though we are fully committed to preservation, there is always the possibility that the building cannot be saved. If, unfortunately, that is the case, then we will do our best to build a new structure that references the Olson and that fits the surrounding street scape. It will provide retail space, preserve existing jobs and create affordable housing.

**We need your help.** The Affordable Housing Sales Tax measure will enable us to begin the important work of creating more affordable housing with proximity to jobs and services, as well as preserving a key part of Anacortes history.

**The Olsen Building once complete will support itself** and will not require additional subsidies. The idea of this type of restoration or rebuilding is that when debt service is subsidized at the beginning of the project, then the project can rent at a reduced rate and afford

to continue to operate. Operations not only includes the daily management and maintenance, but also setting funds aside for future capital repairs and preventative maintenance. Before lenders and other financial partners will agree to invest in such a project, the AHA will be required to submit a pro-forma financial statement and demonstrate experience in supervising and operating similar properties.

Similarly, with the three-story, five-unit townhouse project located on 19<sup>th</sup> St., the AHA would have to submit detailed documentation regarding finances and operations. That development also would be self-sustaining and not require additional subsidies.