

Pullman Artspace Lofts Frequently Asked Questions

Project History

In 2010, a group of Pullman artists came together with the goal of bolstering Pullman's historic and contemporary reputation as an arts hub. With no funding but their own pockets, the group launched PullmanArts. One of PullmanArts' first activities as a new organization was to develop an artist survey to assess support for artist live/work housing in Pullman. Because the initial survey was overwhelmingly in favor of this concept, PullmanArts engaged Artspace Projects, a national nonprofit leader in artist housing, and Chicago Neighborhood Initiatives (CNI), a local nonprofit organization, to assist with a formal market assessment and feasibility study. With input from more than 380 artists and community members, the assessment indicated that there was local support and market demand for about 35-45 units of affordable live/work spaces. For the past three years, representatives from PullmanArts have been reporting monthly on progress with site selection, financing, and design at the Pullman Civic Organization (PCO) meetings and in the monthly Pullman Flyer.

Feasibility Study and Artist Survey

The survey had a big kick-off party at the factory site with more than 100 people - most from Pullman – attending. The survey was announced and a web link provided in multiple months of the Pullman Flyer. The link was e-mailed through the "Pullmania" e-mail list. The neighborhood was flyered with postcards providing information and the web link. It was also posted multiple times on the Pullman Facebook pages. Postcards were also provided at the PCO meetings.

For more detailed information, please see the documents listed below.

[Pullman Artist Survey](#)
[Artspace Exploration Phase I Executive Summary](#)
[Artspace Final Interpretation](#)

What is the difference between subsidized and affordable housing?

The term affordable housing is used to describe housing, rental or owner-occupied, that is designed to be affordable to households earning between 30% Area Median Income (AMI) and 60% AMI. The rents or mortgage payments in affordable housing are structured to be affordable for these households, meaning that they are priced at 30% of the tenant/owner's income. Affordable housing is also sometimes called "workforce housing." In the Pullman project, the rents will be affordable to households earning \$16,170 to \$46,140. Rents will range from \$404 to \$1,039.

Subsidized housing is the term often used when describing housing that has rental assistance, such as Section 8. Under this program, occupants pay 30% of their household income towards rent, with the remaining portion of the monthly rent paid for directly by the government through the Section 8 program. For example, if the monthly rent is \$800, but the tenant only earns \$1,200 per month in household income, the

tenant pays \$400 per month to the landlord, and the Section 8 program pays the remaining \$400 per month to the landlord.

What is LIHTC?

Low Income Housing Tax Credits (LIHTC) is a federal IRS program that provides tax incentives to encourage the development of affordable housing. The program does not provide direct assistance to renters and is strictly used to finance the construction (not the operation) of rental properties. LIHTC properties have units available for families earning 60% or less of the Area Median Income (AMI). The rental properties are of very high quality and are often mistaken for market-rate apartment communities. LIHTC is America's most successful affordable housing program, having created millions of affordable rental units since its inception in the late 1980s. State agencies allocate LIHTC to tax credit projects, these credit allocations are sold to investors, and the proceeds from the credit sale are then used to construct the project. For more information, please visit affordablehousingonline.com

What role does the Commission on Historic Landmarks have in new construction?

DPD's Historic Preservation Division works with property owners, city departments, sister agencies, and the general public to promote the preservation of Chicago's historic resources. The division researches and prepares landmark designation reports and reviews permit applications for work on proposed and designated landmarks. It also administers the Demolition-Delay Ordinance, maintains the Chicago Historic Resources Survey, and promotes the preservation of historic buildings through incentives, preservation planning, public outreach, and technical assistance. The division staffs the Commission on Chicago Landmarks, which is responsible for recommending potential landmark designations to the City Council. Please visit the City's [website](#) for more information.

Who are the Pullman Artspace LLC partners?

Artspace Projects, Inc., Chicago Neighborhood Initiatives, and Pullman Arts are partners in Pullman Artspace LLC.

About CNI Chicago Neighborhood Initiatives

Our mission is to strengthen Chicago area low to moderate income communities collaborating with neighborhood stakeholders on community development efforts, acting as a developer and resource that supports economic development and neighborhood revitalization, and coordinating capital and resources to support community projects. Our primary activities focus on large scale commercial real estate development, residential neighborhood preservation, New Markets Tax Credits deployment and micro-lending. For more information, please visit www.cnigroup.org.

About Artspace

Artspace is a national nonprofit real estate developer for the arts, whose mission is to create, foster, and preserve affordable space for artists and arts organizations. For more information, please visit www.artspace.org.

About PullmanArts

The mission of PullmanArts is to protect, preserve, and promote Pullman as a unique and major arts hub. For more information, please visit www.pullmanarts.org.

How are PullmanArts board members compensated?

PullmanArts is a 501(c)3 nonprofit, 100% volunteer-based organization whose board members receive no compensation. The PullmanArts operating budget is 95% board member self-funded and 5% donations.

What part does the National Park Service have in new construction?

The project has applied for historic tax credits as part of the financial plan for development. The Illinois Landmarks, the City of Chicago, and the National Park Service will review the plans and scope of rehabilitation work for the project to ensure that the property is redeveloped to the highest standards of historic preservation. Through these levels of expert review, the new building will be developed in a respectful, sensitive way that complements the architectural rhythms of the neighborhood.

Will Pullman Artspace Lofts flood the rental market and drive down demand?

The partners are building housing with a preference for artists, and their goal is to create a community where artists can live and work in a supportive, creative environment. Living in an Artspace building won't be for everyone, even those who are artists. The project is about creating an intentional community for artists within the context of Pullman's history and National Monument status. Ultimately, the partners believe that renovating these vacant buildings and developing the vacant lot will support the excitement and momentum that is building around Pullman as one of Chicago's great neighborhoods, and they think it will help support the demand for rental housing once the project is complete.

Why not choose a neighboring community?

The artist survey shows the need for South Pullman as a location, as did Positioning Pullman and the Urban Land Institute reports. South Pullman also is the viable location to attract artists (artists want to be near other artists and in a supportive community).

The site also connects at its south end with the 112th axis of the center of activity in Pullman, Greenstone Church, the Pullman Cafe, Arcade Park and the Visitors' Center. This \$15 million investment should also attract interested parties with funding to the Market Hall site. This site connects with the development plan west down 111th from the Pullman Park shopping area. This site also shores up the 111th/Langley entry to the Pullman neighborhood. This site has already changed the mind of the owners of the Landmark Inn not to turn the first floor into apartments and instead to keep it open for a restaurant.

How will the project impact parking?

The plan provides 17 off-street parking spaces to the rear of the property, 12 indoor bicycle parking spaces, and 13 outdoor bicycle parking spaces, for a total of 42 auto and bicycle parking spaces.

How much access will the community have to the facility?

There will be an approximately 1,800 square foot community art center that will be run by PullmanArts. This will be open to the community. There will also be gallery space that can be used for neighborhood programming and exhibitions.

How is the project being financed?

The capital costs of this project are being financed with 9% Low Income Housing Tax Credits, Historic Tax Credits, a conventional permanent mortgage, and private philanthropy. Its operations will be supplemented by project-based vouchers through the Chicago Housing Authority for six units for artist veteran households and their families. To ensure that artists veterans and their families call this building home, the team has a partnership with Catholic Charities to help coordinate outreach and the application process for those who so generously have served our country.

What is the process for choosing tenants?

Applicants can apply approximately 90 days prior to occupancy start. This entails completing a rental application, credit and criminal background checks, and an artist selection interview to determine if the applicant meets the artist selection criteria. Applications are accepted on a first come, first served basis. Community volunteers participate in the artist selection process initially to fill the building upon completion. This is an exciting and incredibly inspiring stage of the development process, when community members and Artspace staff get to meet proposed tenants and learn about each artist's background, passion for his/her work, his/her artistic process and his/her commitment to living in an artist community.

Why so many units?

The number of units proposed is consistent with density throughout Pullman and with the former use of the site. The two existing "A" and "C" historic blockhouses and the now demolished "B" building that was once between them offered a total of 48 units. Our proposed development offers 38 units.

What if the building doesn't find enough artist tenants?

This has never happened in a prior Artspace property. With our mission and commitment to community engagement, we will be able to find artists to call the property home. We have done this time and time again, in more than 40 projects in 20 different states and with over 3 million square feet within our portfolio of properties across the country. The Pullman market is incredibly strong and very attractive to the arts community. We are very confident that we can lease these 38 units to practicing artists based on our prior experience and track record of success. In the unlikely event the building could not be fully occupied by artists, the application process would be opened to others meeting the same income and background check criteria.

Why concentrated housing instead of dispersed housing?

The quality of community life would be diminished if there wasn't a multifamily setting that brought artists together in one building. Additionally, there are economies of scale associated with multifamily finance, and scattered-site housing tends to be cost prohibitive and more challenging to manage.

How will the project affect current property values?

Third party research on Artspace projects in Reno, Nevada, Seattle, Washington, and St. Paul, Minnesota found strong positive impacts on property values. Studies by Metris Arts Consulting in 2009 and 2010 found that house or condo values within a half-mile to three-mile radius of the projects increased substantially, with the greatest increases coming closest to the Artspace building. Property values near the Artspace project in Reno increased an average of \$19,693 since its development in 1999. In Seattle, the increase was \$14,679 since the 2003 development. And in St. Paul, a 1992 Artspace development yielded a one-time average increase of \$13,827 per residential housing unit. For more detailed information, please see the reports [How Artspace Matters](#) and [How Artspace Matters II](#).