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On the Block: With the Louisa Hotel nearly done, workforce housing developer Gaard plans 90 units near Northgate

Northaven Senior Living owns about 2 acres a little north of Northgate, which it has been developing in phases. It has two buildings there now. The DJC first reported in January on the five-story, 86-unit **Northaven III** addition, which is now in the planning and permitting stages.

Now there's a new plan for a fourth building on the northeast corner of the property, at 11057 Eighth Ave. N.E., which was recently upzoned to 75 feet. Northaven intends to sell the 13,000-square-foot parcel, which it purchased for \$1.1 million in 2014, to a new venture led by **Gaard Development**.

Gaard is a new workforce housing developer established two years ago by philanthropists/investors **Greg Gorder**, formerly of **Intellectual Ventures**, and wife **Val Gorder**. Greg Gorder, once a partner at **Perkins Coie**, was this year named to the city's Affordable Middle-Income Housing Advisory Council, as was **Maria Barrientos**, whose **Barrientos RYAN** will manage the Northgate project. Gaard's first project was the **Louisa Hotel** renovation in the International District. (More on that below.)

The Northgate plan by **Third Place Design Cooperative** is for a seven-story building with up to 90 units, a possible child care center, and one level of underground parking for around 35 vehicles. The parking would be accessed from a driveway off Eighth, which also leads to Northaven. Units would range from studios to two bedrooms.

Gaard's new building would replace a one-story 1965 office building at the same address. It would have a footprint of about 5,900 square feet. Total project size, apparently including the parking, is estimated at 85,000 square feet. The project is listed with a nominal project value of \$18 million, thought that number will surely rise.

The Gaard site is about a 20-minute walk to Northgate Station, where light-rail service will begin in 2021.

Matthew Gee of Gaard says that while the company was launched with the intent of focusing on the Louisa and other possible historic renovation projects in the ID, "Northgate is definitely unique. They sort of approached us." The "they" is Northaven, which will coordinate shared green space with the ground-up Gaard project.

Adding to an intergenerational campus-like feel would be the kids at a child care center. Gee is actively looking for such an operator. "We're having those conversations now. I think that's a great space for that kind of tenant. They really wanted a community in that neighborhood."

For the unnamed Northgate project, "We would hope that we're through design review and permitting in 18 months." The land sale from Northaven would follow that, and construction



Rendering by VIA Architecture [\[enlarge\]](#)

In this view looking south toward Northgate, Gaard's proposed 90-unit building is at left, and the 86-unit Northaven III is at center.

would take about 18 months. “In a perfect world, we’d be done in 2022,” not long after Northgate Station opens.

The Northgate project will be Gaard's second workforce housing project. The first was the Louisa, a partnership between the Woo family and the Gorders, who partly funded the renovation. The partnership isn't meant to be a high-profit endeavor, but a sustainable investment, says Gee.

The Louisa, at 669 S. King St., was gutted by fire in 2013. Its 85 new workforce apartments opened this week. Barrientos RYAN managed the project, with **Rolluda Architects** and **Chinn Construction** also on the team. Work started last year.

Funding for the over \$30 million renovation also came from historic tax credits purchased by **Chase Community Equity**, and lender **First Federal Savings and Loan** of Port Angeles. The Louisa now has 24 underground parking spaces (accessed from the alley), 43 bike stalls and a roof deck. Old art and murals uncovered during the renovation have now been rehung and restored. Old timber and other materials were salvaged during the renovation.

Rents are capped for tenants earning between 40 and 100% of area median income. (For an individual, that works out to around \$36,000 to \$76,000.) On the preserved and restored Chinese Community Bulletin Board, a flyer says rents start at \$1,050 for studios and \$1,850 for one-bedrooms.) Some units are on the rooftop addition to what was originally a three-story building when completed in 1909.

The Woo family, which has owned the building since 1963, is leasing the retail bays to local businesses who are approaching them directly, says Gee. The alley sign remains for **Liem's Pet Shop**, which won't return. **Seattle Gospel Center Bookstore** reportedly will return. A Korean barbecue restaurant and ice cream shop are other reported future tenants.



Photo by Brian Miller [\[enlarge\]](#)

The Louisa Hotel is now leasing to renters, while the retail space is still being finished.

“We think the numbers are gonna work out,” says Gee of the rents and future return on investment. “We’ll have an ongoing partnership in perpetuity. This was an experiment. It was the test case. We wanted to fly under the radar.”

Gaard's original mission statement, on LinkedIn, was to “partner with owners of Unreinforced Masonry (URM) buildings in Seattle's Chinatown-International District and with the broader community to develop more than 1,000 new units of affordable workforce housing. We plan to redevelop existing historic buildings that are currently vacant or underutilized to provide Seattle's working class with an affordable option to live close to the city.”

Gee says that “We did try to engage other (ID) property owners, but those talks didn't really go anywhere.” Single owners are easier to negotiate with, Gaard has discovered, than the multiple owners of many old buildings in the ID. They can number from 100 to even 1,000 small shareholders.

Now Gaard is looking beyond the ID and URMs. “We think there's opportunities throughout the city. We're looking for groups like the Woos — who own the land and the building,” but who don't want to sell, who have a similar interest in fostering sub-market-rate workforce housing. “We're having a lot of conversations.”

Along with Northaven, Gee cites the example of Seattle's many dwindling old churches, their congregations aging and shrinking, and their unreinforced masonry buildings too costly to maintain.

As for financial partners, Gaard is looking for like-minded private investors around the Northwest. Gee describes the model as “philanthropy, but you potentially get your money back.” It's the old axiom about doing good versus doing well. The federal low-income tax credit program might or might not enter into future financing, along with private placements and bank loans.

“Our sweet spot is probably 80 to 85 units,” says Gee of future projects. He’s currently eyeing two possible old buildings in Pioneer Square and the ID. Otherwise, the transit lines and old parking lots (and churches) are areas of interest.

“Our singular mission is workforce housing,” he says, and that comes before the neighborhood. Gaard is looking everywhere for underutilized properties. And “if they’re URM’s and historic, even better.”

Some amount of parking is always advisable for a workforce project, says Gee, since some future renters will be driving to work. Purely affordable projects can generally skip the parking, since low-income residents mostly use transit. Such considerations may also lead Gaard away from the small parcels and small old masonry buildings in the ID and Pioneer Square.

Unit sizes at the Louisa are comparatively small, from about 200 to 550 square feet. The unnamed Northgate project will be more family-oriented, with two-bedroom units running up to 1,000 square feet.

On which subject, the separate Northaven III will go west of the original eight-story 1972 main building, on the center of the Northaven campus — though it uses the address at 11045 Eighth.

VIA Architecture, Beacon Development Group and **Human Good** (formerly American Baptist Homes of the West) are working with Northaven on Northaven III. That project had an administrative design review last week. Total project size is listed at 52,358 square feet. There would be 22 parking stalls on level below grade.

Project cost was earlier estimated at \$26 million, though it has likely changed. Northaven III will employ public funds including the Washington State Housing Trust Fund and \$7.1 million from the Seattle Office of Housing.

Walsh Construction will be the general contractor for Northaven III, which is expected to break ground in March of next year, with completion in the spring of 2021.

The smaller Northaven II, with 40 assisted-living units, was added in 1994 on the south side of the campus. Northaven also owns other commercial buildings along Eighth, with tenants including **Prestige Copy & Print** and **Roosevelt Auto Body Collision 1**. Those could eventually give way to future additions, or be sold to help fund future additions.

Got a tip? Contact DJC real estate reporter Brian Miller at brian.miller@djc.com or call him at (206) 219-6517.

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