



2013 Annual Awards Entry Form
(Complete one for each entry.)

Entry Name Affordable Rental Program and Bywater Art Lofts II

Fill out the entry name *exactly* as you want it listed in the awards program.

HFA Louisiana Housing Corporation

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Entry form with description, check(s), and visual aids (optional) must be received by NCSHA by **Monday, July 1, 2013.**

Use this header on the upper right corner of each page.

HFA _____

Entry Name _____

Communications	Homeownership	Legislative Advocacy	Management Innovation
<input type="checkbox"/> Annual Report <input type="checkbox"/> Promotional Materials and Newsletters <input type="checkbox"/> Creative Media	<input type="checkbox"/> Empowering New Buyers <input type="checkbox"/> Home Improvement and Rehabilitation <input type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Federal Advocacy <input type="checkbox"/> State Advocacy	<input type="checkbox"/> Financial <input type="checkbox"/> Human Resources <input type="checkbox"/> Operations <input type="checkbox"/> Technology
Rental Housing	Special Needs Housing	Special Achievement	Are you providing visual aids?
<input type="checkbox"/> Multifamily Management <input type="checkbox"/> Preservation and Rehabilitation <input checked="" type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Combating Homelessness <input type="checkbox"/> Housing for Persons with Special Needs	<input type="checkbox"/> Special Achievement	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO

Background: Hurricane Katrina, and more recent hurricanes such as Gustav and Ike, caused tremendous housing loss for residents of the New Orleans and gulf areas. Disaster vulnerability research shows that disadvantaged populations are more vulnerable to housing damage from a disaster. These disadvantaged groups are characterized as households with low incomes, low levels of education, female-headed households, racial and ethnic minorities (Cutter, et al., 2003; Laska & Morrow, 2006; Myers et al, 2008). These social characteristics are correlated with living in rental housing, suggesting that rental housing may be a key mechanism by which vulnerability is produced (Fothergill et al, 1999; Fothergill & Peek, 2004). In part, this may be because landlords are slow to repair disaster-related damages or they may rebuild for a higher income market, but it may also be due to lower quality of rental housing and the lack of incentive to make improvements that mitigate disaster-related damage (Comerio, 1997). Those with lower socio-economic status, such as “starving artists,” often have less insurance, less savings, fewer personal resources and previous economic problems that impinge on their ability to re-establish permanent housing (Fothergill, Maestas & Darlington, 1999; Fothergill & Peek, 2004). When communities are destroyed by natural disasters and residents dislocated, it creates a vacuum that is typically left vacant, at worst, or filled with upscale housing, at best – neither of which addresses the problem created by the loss of affordable housing. This is especially true in New Orleans where, according to the Arts Council of New Orleans, post-Katrina rents had escalated to the point that artists were being priced out of the market. LHC proactively and aggressively moved to fill this vacuum with its Affordable Rental Program (ARP) initiative. As required by the 2008 disaster supplemental bill, at least 11.2% of the State’s overall allocation has been dedicated to affordable housing programs. The purpose of ARP is to provide a mechanism through which eligible entities can develop, rehabilitate, and construct safe rental housing for the needs of very low- to moderate income households. ARP consists of two separate delivery methods:

- 1) A competitively awarded rental program that was open to municipalities, non-profits, for-profit organizations, etc.
- 2) A direct allocation to the five entitlement parishes that received the most damage from Hurricanes Gustav and Ike.

A funding cap was established of a maximum award of \$4,000,000. Acceptance of funds for affordable housing projects requires an affordability period of five years from the date of issuance of the final Certificate of Occupancy, which is enforced through forgivable deferred loan and restrictive covenant that is recorded on the property.

Under ARP, each project must meet one of the two National Objectives of the Program: 1) benefit LMI households, and 2) aid in the prevention of slum and blight. In anticipation of the high number of funding requests, LHC designed this program to be awarded competitively and to give maximum priority to those projects that would benefit LMI households. Sixteen projects were selected, including Bywater Art Lofts II, a project that embodies the purpose of LHC’s Affordable Rental Program.

Located in the heart of the historic Bywater neighborhood, the Bywater Art Lofts project, the first affordable housing community developed exclusively for artists within New Orleans, began with the development of the Bywater Art Lofts I by HRI Properties in 2008. Bywater Art Lofts I is a 37-unit affordable housing community at the site of a dilapidated and blighted former garment factory, upon which Ignatius Reilly’s workplace in John Kennedy Toole’s classic novel *A Confederacy of Dunces* was based. In response to the overwhelming demand for additional much-needed affordable housing in the New Orleans artist community, in 2012, HRI Properties developed Bywater Art Lofts II, a 30-unit affordable housing community across the street from Bywater Art Lofts I. In addition to ARP funds, Bywater Art Lofts received HOME, low-income and historic tax credits and General Fund dollars.

Is innovative and replicable: With at least 11.2% of the State’s allocation dedicated to affordable housing programs, LHC took the opportunity to develop ARP, which was targeted to projects for LMI households. LHC tailored the RFP to give maximum priority to those projects that benefit LMI households especially those that would extend the affordability period beyond the initial five years. The

HFA: Louisiana Housing Corporation
Entry Name: Affordable Rental Program and Bywater Art Lofts II

guidelines established for ARP will be easily replicable as LHC moves forward with additional new housing initiatives, especially those designed to increase affordable housing stock in the wake of disasters.

The design of Bywater Art Lofts II, an exercise in industrial chic, is also innovative and replicable. Though the exterior of the beige building is rather blank, the open interior parking lot is a feast of geometry, with blood-red iron trusses rainbowing from one side to another and glinting galvanized staircases declining from each second-story apartment to the ground. The new one- and two-bedroom lofts were constructed to be light and airy with tall ceilings, natural light and modern urban finishes. This, together with a large and open community area, common studio space, artist's gallery and a vibrant park and sculpture garden, makes this space ideal as a creative live/work environment for a wide range of artists.

Initially, the Bywater Art Lofts project met with a large amount of resistance within the community, whose residents were apprehensive about the impact of an affordable housing project in their neighborhood. To gain community confidence, and to demonstrate his own commitment to this project, Pres Kabacoff, Chief Executive Officer of HRI Properties, built his own creative dream house adjacent to Bywater Art Lofts I. Once Bywater Art Lofts I was developed and occupied, community support quickly followed, so that when Bywater Art Lofts II was announced, the community not only offered zero resistance but was actively involved in its development. In addition to overcoming community resistance, this project overcame an even bigger obstacle when the IRS began advising State Agencies that artist preferences should be viewed as a violation of the general public use requirements for low income housing tax credits. Kabacoff, together with like-minded developers and nonprofit organizations, appealed successfully to Congress to change the rules to expressly permit leasing preferences for "tenants who are involved in artistic or literary activities." This appeal, along with the design of the project, has opened the door for other affordable artist communities to be built across the country. Currently, developers are exploring the idea in locations such as Baton Rouge, Louisiana and Jackson, Mississippi.

Demonstrates measureable benefits to HFA targeted customers: Sixteen projects were funded through ARP to create 600 units of high-quality affordable housing stock in parishes damaged by Gustav and Ike, which were experiencing a critical need for additional LMI rental housing. These additional units allowed residents of these parishes to move back or remain in their communities, which benefits not only the residents but the communities as a whole.

The Bywater project exemplifies the benefits to HFA targeted customers. According to Kabacoff, the concept of combining desperately needed housing for people who can't afford it and artists benefits the community in two ways: 1) it provides affordable housing to artists; and 2) it revitalizes neighborhoods where New Orleans residents live and work. The development of Bywater Art Lofts II has allowed low-income artists to move from a "starving artist" status where they were forced to choose between focusing on their art or their next meal, into a stable environment designed for maximum productivity and affordable living. One artist commented that since moving into the Bywater Art Lofts II, she has created more art over just a few months than she had in her whole life because she no longer needs to work multiple minimum wage jobs just to make ends meet.

Has a proven track record of success in the marketplace: ARP's 16 funded projects have created 600 units of housing for LMI in parishes damaged by Hurricanes Gustav and Ike. Projects funded by ARP, such as Bywater Art Lofts II, are proving to be very successful projects. The Bywater Art Lofts projects continue to maintain a waiting list of potential residents and have contributed to the richness of the community as a whole. In addition, the Bywater projects have sparked the development of two additional affordable artist communities in New Orleans and encouraged developers to explore this type of community throughout Louisiana.

Provides benefits that outweigh costs: The benefits of ARP are very clear—600 units of affordable housing for LMI households have been created from disaster allocations. The benefits to residents of

communities with ARP-funded projects far outweigh any costs associated with the administration of the program.

Projects such as Bywater Art Lofts II contribute immeasurable good to the communities where they are located. From non-profit performance space, to galleries, to businesses that offer classes, to specialty supply shops, to the individual artist entrepreneur and contractor, community art activities are an identifiable business sector. In addition, the development of the Bywater Art Lofts II created jobs within the community from its initial inception stage (planning/construction) to its implementation phase (management/administration). The Bywater Art Lofts is a short walk away from many newly developed and classic neighborhood favorites like Elizabeth's Restaurant, Bacchanel, Bywater BBQ, Coffea Cafe, and a plethora of other restaurants, artist galleries, and boutique shops, and sits just minutes from the Faubourg Marigny, French Quarter and Central Business District.

Demonstrates effective use of resources: LHC was tasked with creating a program to increase the availability of affordable rental units with a dedicated allocation for affordable housing programs. LHC put those funds to great use with ARP and designed the program to give maximum priority to projects that benefited LMI households. By designing the program to give preference to those that benefited LMI households, LHC ensured that it was funding projects that would provide desperately needed LMI affordable housing options in the parishes affected by Gustav and Ike.

The projects themselves also demonstrated effective use of resources as demonstrated by Bywater Art Lofts. The total development cost of \$11,559,000 was raised through a variety of very competitive funding sources and financial partners. By improving a historic property and offering apartments only to lower-income artists, whose earnings were 30 percent to 60 percent of New Orleans median income, or roughly \$14,000 to \$29,000, HRI was eligible to receive tax credits from The Historic Preservation Tax Credit Program and the Low Income Housing Tax Credit Program. Those credits were leveraged and sold to state and local investors to bring in enough capital to make the project financially feasible. In addition, between the quick 18 month turnaround from breaking ground to moving in its first resident, and carrying zero development debt, Bywater Art Lofts II has been able to achieve a measure of financial independence unique to affordable housing developments.

Effectively employs partnerships: LHC was given a unique opportunity to customize a program to increase the stock of affordable housing options in parishes affected by Hurricanes Gustav and Ike. In order to ensure a successful program, LHC worked closely with the State, Louisiana Office of Community Development, the parishes, other funding sources, and developers.

An innovative project such as Bywater, too, required multiple partners for success; those partners included: AEGON USA Realty Advisors, LLC; City of New Orleans; Louisiana Office of Community Development; Louisiana Housing Finance Agency; Stonehenge Capital Company; and Woodward Design + Build.

Achieves strategic objectives: LHC's ARP and ARP-funded projects such as Bywater Art Lofts adhere to LHC's Strategic Plan's objectives of:

- Maintaining and expanding the supply of low- to moderate income housing stock
- Partnering with others to create and promote healthy and supportive living environments in low- to moderate-income communities across the State.

Conclusion: Using a dedicated allocation required by the 2008 disaster supplemental bill, LHC created the Affordable Rental Program, a mechanism through which eligible entities could develop, rehabilitate, and/or construct safe rental housing to meet the needs of very low- to moderate-income households. This innovative program led to the creation of 600 units of LMI affordable housing in parishes hit by Gustav and Ike and gave developers such as HCI Properties the flexibility to build unique projects such as Bywater Art Lofts II. As a result, communities such as New Orleans are able to provide artists—an integral part of the City's fabric—with safe, decent and affordable housing.

FACT SHEET

Bywater Art Lofts II

New Orleans, Louisiana

Rehabilitation of former Rex Garment Factory Annex into 30 Units of Artist Housing



Initial Project Status:	100% Vacant Historic Factory Annex
Project Description:	<p>The project is located across the street from HRI's successful 37-unit Bywater Art Lofts I development. Bywater Art Lofts II will create 30 additional units of mixed-income artist housing, community areas, gallery space, and a sculpture garden.</p> <p>30 new apartments (27 one-bedroom, 3 two-bedroom) will serve the following:</p> <ul style="list-style-type: none">15 units affordable to individuals earning at or below 60% AMI9 units affordable to individuals earning at or below 50% AMI3 units for individuals in need of Permanent Supportive Housing3 units of "Workforce Housing" available to individuals earning 80%-120% of AMI <p>Amenities include on-site property management office; common studio/gallery space, bicycle storage, green space and park/sculpture garden</p>
Developer:	HRI Properties
Architect:	HCI Architecture
Design/Builder:	Woodward Design+Build
Owner:	Bywater Art Lofts II, LLC
Project Status:	<p>Purchase agreement secured and the anticipated property acquisition is December 2010</p> <p>Anticipated financial closing May 2011</p> <p>Project was awarded \$4,000,000 in Community Development Block Grant funds from the Affordable Rental Program administered by the Louisiana Office of Community Development</p> <p>Awarded \$1,200,000 in HOME Funds by the City of New Orleans</p> <p>Received State Part I approval from LA State Historic Preservation Office</p> <p>Applied for \$551,500 in annual LIHTC on September 17, 2010</p> <p>LIHTC awards announced December 8, 2010</p>
Project Cost:	\$10,737,000 Estimated



The Louisiana Recovery Authority's mission is to ensure that this state, battered by hurricanes Katrina and Rita in 2005 and hurricanes Gustav and Ike in 2008, rebuilds safer, smarter and stronger than before.



FOR IMMEDIATE RELEASE

February 11, 2010

Contact: *Christina Stephens*, christina.stephens@la.gov

State of Louisiana Launches \$50 Million Affordable Rental Housing Program for Parishes Affected by Hurricanes Gustav and Ike

LRA, OCD to host informational meetings across the state

BATON ROUGE, La. - The state of Louisiana is launching a \$50 million program to create affordable rental housing in parishes damaged by hurricanes Gustav and Ike in 2008.

The Affordable Rental Program is part of \$1 billion in disaster recovery Community Development Block Grant dollars awarded to Louisiana by the U.S. Department of Housing and Urban Development for damages inflicted by hurricanes Gustav and Ike. As part of this allocation, HUD is requiring the state to dedicate 11.2 percent of the total funding to affordable rental housing.

As a result of hurricanes Gustav and Ike, more than 24,400 properties statewide suffered damage greater than \$3,000. Of these, about 27 percent, or more than 6,500 housing units, were rentals. Approximately 740 of the rentals were destroyed.

The Affordable Rental Program will restore and create affordable rental housing for individuals with low and moderate incomes through the new construction of rental housing, or acquisition or rehabilitation of existing facilities. The competitive grants program is open to municipalities, parishes, nonprofit organizations and developers in the 53 parishes affected by the storms.

Louisiana Recovery Authority Executive Director Robin Keegan said, "Louisiana has been struck by four major hurricanes in three years, and workforce housing suffered one of the biggest hits. The Affordable Rental Program will provide critical help in rebuilding rental stock for our workforce and vulnerable populations in Gustav and Ike-damaged parishes."

The Louisiana Recovery Authority and the Office of Community Development will host a series of Regional Outreach Program Launch meetings to assist parish leaders and other interested parties in reviewing the guidelines for preparing the grant applications.

Outreach Meeting dates and locations are as follows:

- **Alexandria: Feb. 18, 1-4 p.m.** at the City Council Chambers, 915 Third St.;
- **Hammond: Feb. 19, 9:30 a.m. - 12 p.m.** at the Louisiana Small Business Development Center, Southeastern Louisiana University, 1514 Martens Drive;
- **Lake Charles: Feb. 23, 1-4 p.m.** at the SWLA Alliance/Chamber, 120 Pujoe St.; and
- **Houma: March 2, 9 a.m. - 12 p.m.** at the Council Chambers, 8026 Main St.

To register for the workshops, please e-mail info@louisianarecoveryauthority.org or call (225) 342-1700 and provide the following information:

1. Your name
2. Physical address
3. E-mail address
4. Telephone number
5. Parish in which your project will be located and
6. Date of the workshop you wish to attend.

Please indicate "Workshop RSVP" in the subject line of the email.

All workshops are identical and you may attend whichever workshop is most convenient. The workshops are free and open to the public. Attendance, although voluntary for participants, is strongly encouraged.

The Affordable Rental Program guidelines will be available online Feb. 18 at www.lra.louisiana.gov. The formal application period will begin March 8. The application deadline is close of business May 7, and awards will be announced in June.

Created in the aftermath of Hurricane Katrina and Hurricane Rita in 2005, the Louisiana Recovery Authority (LRA) is the coordinating and planning body leading the most extensive rebuilding effort in American history. The central point for hurricane recovery in Louisiana, the LRA works closely with the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) and partners with state and federal agencies to oversee more than \$20 billion worth of programs, speed the pace of rebuilding, remove hurdles and red tape and ensure that Louisiana recovers safer and stronger than before.

###



HRI Launches Bywater Art Lofts II

HRI Properties - 5/5/2011 9:14 am

NEW ORLEANS, LA - HRI Properties has begun construction of Bywater Art Lofts II, consisting of 27 apartments in an existing warehouse and three new construction townhouses, all of which will utilize a leasing preference for artists. The new phase is located across Dauphine Street from the original Bywater Art Lofts that opened in December 2008.

The former Rex Garment Factory warehouse building on the corner of Dauphine and Pauline streets, representing the second phase, is scheduled to welcome its first residents in May 2012.

Bywater Art Lofts II will offer on-site parking, bicycle storage, gallery space, a common studio space and a park/sculpture garden located on a vacant lot across Pauline Street.

"As soon as you walk into the Bywater Art Lofts, you realize the power of having intensely creative people living together under the same roof. We believe that these 30 additional apartments, combined with gallery space and a sculpture garden, will make this development a model that will significantly contribute to Louisiana's cultural economy," said Josh Collen, HRI's Vice President of Development.

"As much as I love living at the Art Lofts for the creature comforts - new appliances, central air and heat, thoughtful and beautiful interior design and renovation - being part of a creative community is an even bigger plus," said Missy Wilkinson, an artist currently living in the original Bywater Art Lofts. "I'm eager to meet our new neighbors and even more eager to see all the cool art that's going to come out of this. It's kind of mind-boggling to imagine even more art coming out of this intersection. It's going to be like another huge art bomb," she said.

"The Bywater Neighborhood Association is very pleased that Bywater Art Lofts II is soon to be developed and eagerly anticipates the completion of the project. Bywater Art Lofts I has proven to be a successful model of rehabilitating an existing structure and integrating its new use seamlessly into the neighborhood," said John Guarnieri, Chair, Board of Directors, and Chris Lorenzen, President of the association.

The total development cost of \$11,559,000 was funded in part through the Louisiana State Historic Tax Credit program due to the historic warehouse and its location in the St. Claude Corridor Cultural District.

Other financial partners include: AEGON USA Realty Advisors, LLC; City of New Orleans; Louisiana Office of Community Development; Louisiana Housing Finance Agency; and Stonehenge Capital Company.

The contractor is Woodward Design + Build. HCI Architecture, led by Michael Albracht, provided the original design concept and is the architect of record for the project.

The Bywater Art Lofts II industrial building was originally constructed by the J.H. Rex Rutter Manufacturing Company as an annex to the company's garment factory facility across Dauphine Street. The date of construction is sometime between the acquisition of the property in 1952 and the first identified documentation of the building in a Army Corps of Engineers aerial photograph of the site in December 1958.

The building is an important reminder of industrial diversity that was present in the Bywater National Register Historic District during the beginning of the 20th Century. The City has undergone a shift in employment patterns since the 1960's away from a port and manufacturing base to offshore oil and gas exploration and hospitality. Remnants of the once vibrant manufacturing industry in the city are now largely idle. The Rex Garment Factory Annex is a significant building, as it marks a time when the Bywater Historic District was alive with commerce and manufacturing generated by the Port of New Orleans. It is now being reborn as a place where creativity will prosper.

About HRI Properties

Based in New Orleans, HRI Properties (HRI) is a full-service real estate development company and a national leader in the adaptive reuse of historic structures. HRI's mission is revitalizing cities by creating diverse, vibrant, sustainable communities. Since its founding in 1982, HRI has completed 52 large-scale projects, which total 4,635 apartment and condominium units, 3,487 hotel rooms, and 726,990 square feet of retail and office space with a total development cost of more than \$1.4 billion. For more information, go to www.hrproperties.com.

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Everything New Orleans

Bywater Art Lofts 2, an \$11.3 million investment, holding grand opening tonight



Pres Kabacoff is not an artist, museum curator or gallery owner, but few have had as conspicuous an impact on the post-Katrina Crescent City art community. Kabacoff is among New Orleans' premier real estate developers. *(Photo by Doug MacCash / NOLA.com, The Times-Picayune)*

By **Doug MacCash, NOLA.com | The Times-Picayune**

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on October 12, 2012 at 3:24 PM, updated October 12, 2012 at 5:40 PM

The \$11.3 million **Bywater Art Lofts 2**, featuring 30 affordable artist housing units, opens with political speeches and a parade at 6:30 p.m. Friday (Oct. 12). The parade, which will feature hand-built bicycle floats from the **Krewe of Kolossos**, will be small, but it symbolizes some big ideas that have taken root in post-Katrina New Orleans.

Pres Kabacoff is not an artist, museum curator or gallery owner, but few have had as conspicuous an impact on the post-Katrina Crescent City art community. Kabacoff is among New Orleans' premier real estate developers. As chief executive officer of HRI Properties, one of Kabacoff's goals has been recycling unused urban factories, such as the huge **American Can Company** on Orleans Avenue, into up-to-date apartments. In 2008, the first phase of the Bywater Art Lofts opened in the former J.H. Rex Rutter Manufacturing Company, a one-time garment factory famous as the model for Ignatius Reilly's workplace in John Kennedy Toole's novel "**A Confederacy of Dunces.**"

The second phase occupies the 1950s warehouse structure across Dauphine Street.



The Bywater Arts Lofts 2

Doug MacCash / NOLA.com | The Times-Picayune

As Kabacoff explained in a recent interview, artists who had been displaced by the **2005 flood** found it hard to return because rent prices had escalated. So, he thought, why not build affordable housing tailored for artists in New Orleans' burgeoning arts district in Bywater?

There were reasons why not. The neighbors, Kabacoff said, initially were apprehensive about the appearance of affordable housing in their midst. Kabacoff demonstrated his confidence that no harm would be done to the community by building his own dream house on the lot abutting the first phase of the 37-unit development.

That still left Kabacoff with the challenge of securing funding for the \$10 million renovation. As he explained, if all went as intended, the money would flow from two main sources. First, the Louisiana Housing Corporation might determine that the development was worthy of a crucial low-income housing tax credit. And since the building was historic, the project also could received state and federal tax credits for preservation.

Bywater Art Lofts 2 opens Friday Oct. 12 with a parade, video tour

Take a video tour of the \$11.4 million Bywater Art Lofts 2, an affordable housing development for artists in a renovated factory warehouse at 3726 Dauphine St., as HRI Properties chief executive officer Pres Kabacoff describes the complex process of combining a New Orleans urban redevelopment corporation with government low-income housing and historical architecture preservation programs to create studio/homes for Bywater neighborhood artists. The grand opening of Bywater Art Lofts 2 takes place Friday (Oct. 12) from 5 to 9 with a short parade featuring Gris Gris Strut, Krewe of Kolossus and Drum Cart at 6:30.

"It costs just as much to build, just as much to renovate," Kabacoff said, "(so) at the amount of rent you could get, you could never justify that without those incentives."

But another obstacle arose when the Internal Revenue Service ruled that artists could not be considered an appropriate category of people to receive affordable public housing. So Kabacoff, like-minded developers and nonprofit organizations from elsewhere in the country appealed successfully to Congress to change the rules in favor of artist-targeted publicly supported housing. So long as there were no race- or age-based restrictions, the plan had the green light, and the Bywater Art Lofts phase one was built.

The same basic formula produced the second phase of the Bywater Art Lofts, creating a total of

Bywater Art Lofts 2

- **What:** A former factory warehouse that has been converted to 30 affordable housing units for artists.

67 affordable studio/apartment units in all. Working artists of all disciplines are welcome, Kabacoff said, so long as their income does not exceed the \$27,000 to \$30,000 range -- which is below 60 percent of the median income in New Orleans. Rents are \$275 and \$500. The **Blue Plate Art Lofts** on Jefferson Davis Parkway, which also was developed by Kabacoff, adds still 70 more artist-occupied units to the city's available affordable housing.

"We don't make a judgement on whether you're a good artist or a bad artist," Kabacoff said, "... as long as you have a portfolio and you're working legitimately in that profession."

The design of the Bywater Art Lofts 2 is an exercise in industrial chic. Though the exterior of the beige building is rather blank, the open interior parking lot is a feast of geometry, with blood-red iron trusses rain-bowing from one side to another and glinting galvanized staircases declining from each second-story apartment to the ground. A sample of the 620- to 720-square-foot apartments was spare, but sunny, with high ceilings to visually enlarge the floor plan. Across Pauline Street from the new apartment building, renters will share an outdoor gathering space that seconds as a sculpture garden, decorated, in part, with huge ventilation fans, stairs and other features from the original building.

Kabacoff acknowledges that profit is always a motive in his real estate projects, but in conversation he also speaks in sweeping philosophic terms about the vitality of the city, the ebb and flow of housing and the need to minimize suburban sprawl. The St. Claude corridor, he said, easily could be the next Magazine Street. If that comes to pass, the art community will have been key. Where artists go, other folks soon settle, he said, citing the growth of the Soho neighborhood in Manhattan as an example of an art enclave that benefited an entire city. The Bywater Art Lofts are a small step in fostering the Bywater art community that was dealt a devastating blow in 2005.

"The concept of combining desperately needed housing for people who can't afford it and artists achieves two goals," Kabacoff said. "It provides housing and neighborhood revitalization. Artists are creative, they care about their neighborhood and other people follow. It's kind of a no-brainer."

Kabacoff will not take full credit for the creative planning that brought the Bywater Art Lofts into being. He may have been the first in New Orleans, maybe even the south to consider combining the needs of an art community and affordable housing. But, he said, similar ideas were born elsewhere. In fact, he points out, had there not been support for the plan from several places in the country, Congress might never have bought in.

- **Where:** 3726 Dauphine Street
- **When:** The grand opening of the apartments takes place tonight (Oct. 12) from 5 to 9 p.m., with a mini parade around the property featuring Gris Gris Strut, Krewe of Kolossus and Drum Cart at 6:30 p.m. and a dedication of the Bywater Art Garden. This evening's events include speeches by Jay Dardenne, Lieutenant Governor of Louisiana; Pat Forbes, Executive Director, Louisiana Office of Community Development; Don Hutchinson, Interim Executive Director, Louisiana Housing Corporation and Kristen Palmer, New Orleans Councilmember, District C.

"In this part of the world I may be the progenitor," he said, "but I'm not the only thinker on that subject."

Read my Feb. 2012 review of the Krewe of Kolossos here.

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Everything New Orleans

The Bywater Art Lofts is a perfect fit for creative types

By **Doug MacCash**, NOLA.com | The Times-Picayune

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on September 05, 2009 at 5:00 AM, updated September 05, 2009 at 6:49 AM



John McCusker / The Times-Picayune Painter/fashion designer Heidi

Domangue fills her loft from floor to ceiling with art and art-making equipment.

It may not look like much from the outside, but that old factory building on the corner of Dauphine and Pauline streets in the Bywater neighborhood has become a sort of art utopia.

That's because inside, the 41,000-square-foot 1920s structure has been carved into 37 cozy, industrial-chic apartments, each occupied by a painter, sculptor, fashion designer, interior decorator or other creative type.

It's called the Bywater Art Lofts, and it's the kind of place where a busy artist who runs out of Scotch tape can borrow a roll from a neighbor, the way other folks might borrow a cup of sugar. And where a resident movie-maker can ask one neighbor to create the music for his new film, and another to provide the background artwork.



John McCusker / The Times-Picayune Artist/ curator Elizabeth Underwood

stands at the door of her sunny apartment.

It's the kind of place where everyone can show their art in a monthly exhibit held in the loading dock/art gallery. And where every bathroom includes a utility sink big enough to handle brush washing and other artistic cleanups.

It's the kind of place where creative camaraderie is as close as the gorgeous 210-foot-long atrium, bathed in sunlight from the factory clerestory windows by day, and lit by custom-blown glass lamps from local sculptor James Vella by night.

And where even the property manager is an artist -- Jacqueline "Molly" Gardner, a papier-mâché sculptor, painter and puppeteer.

"It reminds me of a space ship," said film director John Swider, whose single-story apartment is decorated with antique cameras and movie posters. "We're all on the Starship BAL (Bywater Art Lofts). Everyone is so diverse. Someone does oils, someone does sculpture. It's kind of like the U.N."



John McCusker / The Times-Picayune Maybe the old sewing factory was fated to become an art enclave.

Maybe the building, the old J.H. Rutter Rex Manufacturing Co. sewing factory, where Army uniforms were once produced, was fated to become an art enclave. Legend has it that it was the inspiration for the fictional Levy pants factory in John Kennedy Toole's "A Confederacy of Dunces," the bible of Crescent City eccentricity.

In the beginning

In the weeks after Hurricane Katrina, a group of investors had considered converting the ramshackle building into condominiums, but high post-K construction costs put the project out of reach. So they instead teamed with New Orleans' premier renovator of large-scale historic properties, Pres Kabacoff.

Kabacoff, whose company, HRI Properties, produced high-profile New Orleans projects such as the American Can Co. apartments, Cotton Mill apartments, D.H. Holmes apartments, and River Garden mixed-income apartments, envisioned the old factory as a suite of modest dwellings with studio spaces for artists -- tailor-made for the bohemian Bywater neighborhood.

Kabacoff said his company did some research with the Arts Council of New Orleans and determined that "rents were getting so high, artists were being priced out of the market."

By improving a historic property and offering apartments only to lower-income artists, whose earnings were 30 percent to 60 percent of New Orleans median income, or roughly \$14,000 to \$29,000, HRI could receive tax credits from The Historic Preservation Tax Credit Program and the Low Income Housing Tax Credit Program. Those credits could be sold to investors to bring in enough capital to make the project financially feasible.

HRI had already built affordable apartment complexes for artists in Hammond and Shreveport.

"In today's market you can't deliver housing without subsidy," Kabacoff said. "Without the (tax) incentives that come with affordable housing, you couldn't do it."

The plan hit one major snag when the Internal Revenue Service questioned the concept of making the housing available only to artists. In the end, representatives of HRI and a Minneapolis development company that specializes in affordable artist apartments convinced Congress to pass legislation that made an artist-preference permissible under fair housing rules.



John McCusker / The Times-Picayune
Craig Nero says low rents at the art lofts have made a difference for him. Before, he said, 'Financially, I couldn't afford to be an artist.'

A good place to live

Early on, some Bywater residents were worried that a high-density housing hive could erode the quality of life in their historic neighborhood. Kabacoff and company scaled down the project from more than 50 apartments to the current 37, and reassured neighbors that on-site resident parking would eliminate any street-side congestion.

Kabacoff is so confident that properly managed low-income housing won't hurt the neighborhood that he says he has broken ground on a house immediately adjacent to the Bywater lofts, where he plans to live.

Construction of the lofts began in late 2007. Word spread among New Orleans artists, and by the time the building was ready for occupancy in December 2008, 196 had applied for the 30 one-bedroom apartments (sized from 600 to 822 square feet) and the seven two-bedroom spots (1080 to 1250 square feet). Rents range from \$240 to \$695, and can't be raised, even if the artists' incomes rise over time.

During the rental process, HRI property managers verified that applicants were working artists, but they did not presume to judge their work. They approached the list on a first-come, first-served basis, and checked that applicants met income requirements.

A place for drama, too

"I lived in a 1,300-square-foot half shotgun," said photographer/interior designer Craig Nero, whose apartment is

splendidly cluttered with decorative ironwork, foliage and architectural elements.

"Financially, I couldn't afford to be an artist. The week I moved in here, I did my first photo shoot in five years ... I went from a big space to a little space, but it let me afford what I wanted to do."

Still, even utopia, it seems, has its downside.

Residents agree that the walls are a bit thin, especially where loud music is involved. One resident regrets that there's no grassy area in the complex. And, perhaps predictably, such tightly packed artistic temperaments sometimes produce friction.

"I hate the drama; the drama can go someplace else," another resident said.



John McCusker / The Times-Picayune
Everyones' favorite feature, the 210-foot-long atrium.

But by and large, the renters seem to be flourishing in their artistic hot house. Painter/fashion designer Heidi Domangue, whose two-story apartment is crowded floor-to-ceiling with art-making equipment and supplies, reflects many residents' enthusiasm for the inexpensive custom-made spaces.

"The most awesome thing about it is that everything is new and clean," she said. "It's an amazing, amazing, amazing place to live. I hit the lottery. I love it. I'm not moving; my rent's so low, I can live like an artist."

Artist Elizabeth Underwood, who lost her home to the 2005 flood, said that her sparkling new studio (the only corner, two-story apartment) has brightened her life.

"The space itself has opened up my creativity, and imagination," she said. "After Katrina, I was in a trailer. I'm in love with it (the apartment), and keep falling more in love with it every day."

Read about another Pres Kabacoff arts project

here.http://blog.nola.com/dougmaccash/2008/11/universal_furniture_is_the_mos.html

Read a story and see a video of an Elizabeth Underwood art project here.

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Pres Kabacoff and Sallie Ann Glassman create an exotic home in Bywater

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By **Doug MacCash, The Times-Picayune**

"Architecture is supposed to comfort and provoke," said Pres Kabacoff, one of New Orleans' premier real estate developers.



Chris Granger, NOLA.com | The Times-Picayune

Pres Kabacoff and Sallie Ann Glassman's dreamy Technicolor mansion is saturated with Mexican and North African influences.

The newly built Bywater neighborhood home he co-owns with his girlfriend, Sallie Ann Glassman, an artist and prominent Crescent City voodoo priestess, seems to do both. Those who appreciate traditional Crescent City architecture will certainly be comforted by the scale and proportion of the double-gallery Greek revival design.

The upstairs and downstairs front porches, louvered shutters and wooden columns are all compatible with the century-old structures that line nearby streets. With two stories in the front of the building and just one in the rear, Kabacoff calls it "a front-loaded camelback."

If there's anything especially provocative about the architecture of Kabacoff and Glassman's home, it's the collision of the straight-from-the-Crayola-box colors that coat the smooth, plaster exterior walls.

The main house is a sunflower-yellow hue with oak-leaf-green trim. The square Bauhaus-esque extension of the house to the left is a complementary crape myrtle-purple. The rectangular one-story entryway between the yellow and purple sections is painted in radiant cherry blossom-magenta.

Glassman said the audacious colors match her personality and Kabacoff's.

"People say we both push the envelope," she said. Some onlookers may have "been afraid of how out there the colors are," Glassman said, but she's happy to live in a neighborhood that's open to "that sort of exclamation point."

Exotic embellishments

The reverberating colors are the perfect environment for the 2,000-pound Gaudi-esque gecko, sculpted by John Herasymiuk with a mosaic skin by Laurel True, that spits a constant stream of water into the lap pool in the backyard.

The big lizard is just one of many outdoor artworks that adorn the Kabacoff/Glassman abode. A statue of barefooted Papa Legba, the spiritual guardian of crossroads in Haitian voodoo, also by Herasymiuk, sits on a geometric railing above the main entrance.



The newly built Bywater home of Pres Kabacoff and Sallie Ann Glassman combines a double-gallery Greek revival structure with a square Bauhaus-esque extension, linked by a rectangular one-story entryway.

Glassman's own designs for a voodoo tarot deck adorn panels set in the front door. A mermaid gate -- made by Haitian artist Serge Bolieu from a used oil drum -- leads to a side passageway. A carved wooden gate from Mexico provides a second entrance to the

backyard, an entrance that is covered with an arching iron arbor by Shea Skully.

"I particularly like art and creativity and came up with unusual ways to incorporate art in the house," Kabacoff said.

Then there's the copper onion-dome chimney. Enchanted by the onion domes they saw on a trip to Eastern Europe, Kabacoff and Glassman, who both trace their heritage back to Ukraine, had a copper bulb fashioned to top the house's bedroom fireplace.

The Historic District Landmarks Commission -- the city agency that oversees new construction in historical neighborhoods -- had already approved the general plans for the house, Kabacoff said, but not the later addition of the bulb-shaped chimney.

Kabacoff said that he met with the neighborhood association seeking community approval, while Glassman gathered more than 200 signatures on a pro-dome petition. In the end, Kabacoff said, the HDLC permitted the dome.

"I think that almost everybody that looks at it likes it," Glassman said of the chimney, which she describes as a "very female" form that "softens" the shape of the house.

A sense of place

Other copper shapes can be spotted here and there. Many of them, Kabacoff said, came from the town of Patzcuaro, Mexico, where metal craft is a specialty.

An ornate chimney with a charming scalloped top surmounts the living room fireplace. The hood above the stove is hand-worked copper sheet, as are the kitchen cabinets and sink. The polka-dot perforated outdoor light sconces are copper, as are the starburst lamps that hang beneath the long L-shaped back porch.

Walls that don't face the street dissolve into a shimmering bank of windows and French doors under the deep porch overhang.



A giant gecko, right, sculpted by John Herasymiuk, with a mosaic skin by Laurel True, spits a constant stream of water into the lap pool in the backyard.

Kabacoff said he was inspired by Louisiana architect A. Hayes Town (1905-2003) to create the backyard vista using old-fashioned mullioned windows instead of broad, modernistic sheet glass. The effect, he said, creates "a tremendous connection to the outdoors."

Kabacoff also tips his hat to Mexican architect Luis Barragán (1902-1988), whose residential

designs included outdoor spaces energized by lushly colored surrounding walls, like the 16-foot cherry-blossom-magenta wall that rises above Kabacoff's pool patio like a permanent tropical sunrise.

His goal, Kabacoff said, was to capture "the experience I had in Mexico that created the sense of a courtyard; a place to sit and swim and relax."

Crescent City architects Michael Albracht and Connie Kramer helped make Kabacoff and Glassman's vision for the Bywater villa a reality.

Open-ended living

Another of the couple's goals was to make the house reasonably resource-efficient and ecologically responsible. Large cisterns collect rainwater for gardening. Permeable cement sidewalks minimize runoff. Photo-voltaic panels on the roof provide some electricity, and heat-accumulating solar panels help warm the pool and house.

The smooth, moisture-absorbing interior walls coated in American clay, Kabacoff said, are "unexpectedly appropriate for the climate."

"Since we don't use air conditioning," Kabacoff said, "it's nice that the walls breathe in humidity."

aspects of the house have a secondary purpose as well, Glassman said. Though the house is not 100 percent self-sufficient, in the case of what she calls another "Katrina event," it is well suited to surviving without access to outside services.

"I don't like many rooms, and I like them to be open," Kabacoff said, standing beneath the exposed beams of the cathedral ceiling, high above the long combination living room, kitchen, dining room and office area.

Not that there isn't some segregation of space. The kitchen is hidden behind the free-standing central fireplace. The airy dining nook, lined by windows on one side, can be closed off by a heavy curtain on the other.

And the main living area is broken into cozy nests through the arrangement of furniture, rugs and screens.

The spiritual connection

The entrance foyer is flanked by a pair of voodoo altars; one white, one red. Each is crowded with liquor bottles, candles, sequined flags, flowers and other symbolic objects.

As Glassman explained, the white side expresses the cooler, calmer side of the spirit world; the red side is a touch hotter and more magical. Glassman said that the altars aren't just a greeting for temporal guests; they are a spiritual locus. "I hope the voodoo spirits will be visitors and be welcome in the home, like all visitors are," she said.

Altars can be found in other spots, too, including a mermaid shrine above the mosaic-covered bathtub in the luxurious master bath. In the adjacent master bedroom, a custom

four-poster bed swathed in rainbow fabric dominates the space.

Nearby, an open hanging staircase leads to an upper office and Glassman's painting studio, which she describes as her "sanctuary." A private creative get-away is especially important



Voodoo altars flank the main entrance foyer, one white, expressing the cooler, calmer side of the spirit world, and one red, a touch hotter and more magical, Glassman says.

to her, Glassman said, because she and Kabacoff lead rather public lives.

Glassman said she was touched that Kabacoff "was considerate enough to design the house with my activities and my personality in mind."

The walls surrounding the stairs serve as a vertical gallery for Glassman's lush, surrealist paintings. The triangular window that peers down onto the living room from the staircase landing was a construction mistake, Kabacoff said, but a serendipitous one.

Glassman's studio opens onto the screened upper porch, providing a view of the canopy of nearby oaks. Better yet, another studio door leads outward onto a large rooftop terrace complete with octagonal-shaped raised vegetable gardens and a Berber tent.

The tent is one of many North African flourishes throughout the house, including the Moroccan lamps that spray the rooms with faceted light, the Moroccan tile in the bathrooms and the camel-bone-clad chairs and mirror in the living room.

"I certainly like exotic things," Glassman said of the globe-spanning decoration. She said that in their travels, she and Kabacoff try to select things that "have meaning and a depth of soul."

For his part, Kabacoff said, "I'm an eclectic," adding that he credits interior designer Marty Leatherbury for helping integrate the cross-cultural flavor of the décor.

The rooftop garden provides a bird's-eye view of the Bywater neighborhood Kabacoff loves. Kabacoff and Glassman's dreamy Technicolor mansion sits next to the Bywater Art Lofts, an affordable housing development that Kabacoff's company, HRI Properties, created for artists in 2008.

He said he looks forward to a day when a St. Claude Avenue streetcar line and a riverfront recreational development further revitalize the area.

In the meantime, he said, he likes living in a place where, at any given moment, "a bicyclist could pass by on a tall bike, dressed as a clown."

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