

**History / Project Description:**

The recent grand opening ceremony of the historic **Fairbanks Flats Rowhomes** in Beloit, WI, marked a milestone in affordable housing in the state of Wisconsin. Listed on both the National Register of Historical Places and the Wisconsin State Register, Fairbanks Flats was one of only two building sites in U.S. history constructed as segregated company housing for African American workers.

In 1917, Beloit's largest employer, Fairbanks Morse, saw the need to build workforce housing after recruiting African American workers from the south to fill in for the white labor force involved in World War I. As a result, the company constructed four identical two-story housing units that became known as Fairbanks Flats. Over the years, the company became a gateway to the City of Beloit, and hundreds of African Americans workers came to live in Fairbanks Flats. While the property sold from owner to owner, the building's poor maintenance slowly led to its deterioration. By 1999 the property stood completely vacant, even though the history of the building still greatly impacted the surrounding community.

In 2006, a Wisconsin-based developer, Gorman & Company decided to restore the development to the city monument it once was. Through federal Low Income Housing Tax Credits from WHEDA, the Fairbank Flats were redeveloped and renovated into a quality, affordable housing option for Beloit residents. By maintaining the look and feel of the historic design, Gorman & Company transformed the original 24 units into 16 rent-to-own townhouses for low- to moderate-income families and for people with disabilities.

**Innovation:**

WHEDA leveraged innovative underwriting practices and local partnerships to bring this development to fruition. WHEDA provided nearly \$2 million in Low Income Housing Tax Credits to Gorman & Company for Fairbanks Flats Rowhomes. Although it was a smaller scale project compared to traditional tax credit allocations, the project scored very well because of its large scale economic and social impacts on the community. For additional financing, the City of Beloit donated both the property and contributed a \$150,000 interest-free reconstruction loan.

Through WHEDA's Emerging Business Program, Gorman & Company, employed 33% minority workers from the surrounding neighborhood for planning, design and reconstruction of Fairbanks Flats Rowhomes. Those hired to work on the development not only gained valuable construction industry experience but were able to build working relations with contractors, giving them employment opportunities for future projects. Local residents working on Fairbanks Flats Rowhomes also received a sense of community pride and investment for their individual contribution to safe, affordable housing in their neighborhood.

Fairbanks Flats Rowhomes is also known for its wide variety of green and energy saving features including low-e windows, recycled rubber mulch in play areas, insulation with an r-value 17% above code, 50% fluorescent light bulbs and the latest in EnergyStar appliances.

As an added accessibility feature, the State of Wisconsin Department of Health and Family Services Office for Deaf and Hard of Hearing also supported the development by providing adaptive technology and services to assist residents with hearing disabilities that limit life activities.

**Responding to needs:**

The Fairbanks Flats development provides many benefits to the community including construction employment opportunities, lower than market rate rental housing, the transformation of a blighted property into a productive community asset, the restoration of an historic landmark and the unique opportunity for residents to own their own home through a rent-to-own program.

This rent-to-own feature allows residents to purchase their units after 15 years. At the end of that term, the property is conveyed to a nonprofit organization who will then sell the units at a discounted price equal to a low outstanding loan balance plus the cost to administer the program. This unique financing option affords each resident with a chance to live out the American dream of owning their own home and buying a piece of Beloit's history.

**Achieve intended results:**

WHEDA, Gorman & Company, the City of Beloit and the Fairbanks Flats Neighborhood Association partnered to ensure that a redeveloped Fairbanks Flats would integrate well with the long-term plans and goals of the city. Ultimately, this collaboration helped restore the liveliness to this neighborhood and build long-term stability through home ownership.

A third-party market study of development and the surrounding community was completed by a Wisconsin-based accounting firm and the survey results determined that Fairbanks Flats was able to rent at below market levels. The apartments range in price between \$570 and \$720 per month.

Fairbanks Flats is now a vital component of the revitalization of an important neighborhood, rather than a symbol of its deterioration. The project represents historic significance for African-Americans and the City of Beloit, as it was the genesis of the city's African-American community and has influenced future housing and settlement patterns. The resiliency of this community and project partners have shown that history can be preserved while providing new opportunities for future generations.

*“This project represents historic significance for African-Americans and the city of Beloit as it was the genesis of the city's African-American community and influenced future housing and settlement patterns,” said Gary Gorman, president of Gorman & Company. “The can-do attitude and resilient spirit of the city, community supporters, the Wisconsin Housing and Economic Development Authority, our dedicated employees and project partners have shown that history can be preserved while providing new opportunity for the future.”*