

# Repurposing Abandoned Schools for Affordable Housing

**Kentucky Housing Corporation**

Rental Housing: Preservation and Rehabilitation

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[Click here to watch the synopsis video for the entry.](#)

### Background and Issue: Vacant School Buildings Contribute to Community Blight

As community demographics change and populations fluctuate, many times school administrators are forced to consolidate or sometimes close school buildings. But what happens to these vacant structures, that were once so vital to their communities? Typically, they deteriorate and contribute to community blight. According to [School Planning & Management](#), abandoned school buildings have significant negative impacts on the surrounding neighborhood<sup>1</sup>:

- Less than 48 percent of vacant schools ever get reused;
- Typical vacant school properties for sale are more than 60 years old, located in residential areas, and tied to local home values;
- Many vacant schools remain on the market for more than 10 years, losing nearly all value from vandalism;
- School districts that have auctioned off vacant schools have only recovered 11 percent of the auditor's value; and
- Vacant school buildings often attract squatters, become hubs for crime, and strain the resources of cities and school districts faced with maintaining these properties.

### Innovative Solution: Adaptively Reuse Vacant School Buildings to Address Affordable Housing Needs

Many of these school buildings are culturally significant to their communities and there is often not local support for demolishing them. Kentucky Housing Corporation (KHC) has seized upon the opportunity to preserve these buildings while providing much-needed affordable rental housing units. KHC has a long track record of partnering with developers to repurpose these vacant structures, many of which are listed on the National Register of Historic Places, using equity generated from the sale of Low-Income Housing Tax Credits (LIHTCs), federal and state historic tax credits, as well as other federal and state gap funding sources. Two such developments are the Elkhorn City School Apartments and Jacob School Senior Apartments.

#### Elkhorn City School Apartments

The Elkhorn City High School was originally built in 1938 using funds from the Works Progress Administration (WPA) program, created as part of the New Deal to carry out public works projects, including many of the 132 schools built between 1937 and 1939 in Kentucky. The Elkhorn City community has long been associated with and influenced by the economic well-being of the coal mining industry. Over time, coal mining required progressively less manpower, leading many coal companies to downsize their labor force, and to divest themselves of company-owned towns. Despite this pressure on the local economy, Elkhorn City demonstrated its belief in its own permanence, and in the benefit of providing a quality educational plant for its children, and thus consolidated several small schools into a large new building that would be known as Elkhorn City High School.

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<sup>1</sup>Klein, Robert. "A Clear Solution for Securing Vacant School Buildings." *School Planning & Management*, January 31, 2018.

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For over 60 years, the Elkhorn City High School was the leading institution for education in eastern Pike County. Through their doors grew students from varying backgrounds, gaining knowledge to function as citizens of the Commonwealth of Kentucky and beyond. Perhaps the most lasting legacy of the structure is the intangible influence on the students who attended the school and who benefited from the dedicated teachers, programs, and community pride which gave rise the educational system.

In 2016, KHC awarded approximately \$420,000 in LIHTCs to the project with AU Associates, Inc. of Lexington, Kentucky serving as the developer. Additionally, federal and state historic tax credits were utilized, along with Community Development Block Grant funds.

In partnership with the Pike County Housing Authority, the development team created 27 one-, two- and three-bedroom units from the old school structure, including two-story loft units in the space where the gymnasium once stood. The new Elkhorn City School Apartments maintained the building's historic charm and many of the original features remain including original hardwood floors, tall ceilings, large gym windows and ornate window details, providing needed affordable rental housing for low-income families, while restoring an important historic community landmark.

Elkhorn City High School served generations of citizens who valued their education and who place a high value on the buildings that contributed as a vital part of their lives and of the community's identity. Now, with a different purpose, it has been revitalized and adaptively reused to create the Elkhorn City School Apartments. Said the mayor of Elkhorn City, who is a graduate of the former Elkhorn City High School, "This is a lot of history that will always be here."

*Jacob School Senior Apartments*

In 2007, the Charles D. Jacob Elementary School in Louisville, Kentucky moved into new and modern facilities leaving vacant the two historic school buildings that made up the original Jacob School campus. Since its closure, the abandoned Jacob School complex had become a target for vandalism and other public safety issues, creating serious safety and quality of life concerns for neighborhood residents. Situated in the heart of the Jacobs neighborhood and southwest of Churchill Downs Racetrack, the home of the famed Kentucky Derby, the Jacob School – a once proud neighborhood anchor institution – had become a symbol of unremitting blight and decline.

A development team led by Bywater Development Group of St. Louis, Missouri undertook the comprehensive historic rehabilitation of the school buildings and redevelopment of the site, creatively converting the historic buildings into 58 high-quality affordable senior apartments, including a number of two-level townhouse apartments in the school's former auditorium. KHC awarded \$750,000 of LIHTCs to the project, which generated over \$7.5 million of private equity. The financing package also included federal and state historic tax credits, Community Development Block Grant funds, and HOME Investment Partnerships Program (HOME) funds from the City of Louisville.

An innovative storm water/water quality management approach was implemented utilizing a former underground boiler room as a storm water filtration/percolation structure. This feature was recognized by the local storm water management authority as a "best practices" approach because it utilizes an

existing building feature to contain these facilities, freeing up more green space on site that would otherwise have had to go toward detention basins and bio-swales.

The new Jacob School Senior Apartments achieved four important objectives: 1) it restored an important historic landmark and neighborhood anchor; 2) reversed the blight that had resulted from the school's abandonment; 3) improved quality of life and property values in the immediate area; and 4) provided much-needed energy-efficient, affordable rental housing for Louisville seniors on fixed incomes.

The historic rehabilitation of Jacob School has once again re-established the facility as an institutional anchor, erasing the years of decline attributable to the abandonment of the facility. Now a beautifully restored historic educational facility is bringing new life, new hope, and new investment into the neighborhood. Louisville mayor Greg Fischer said, "This is a great win, I believe for the neighborhood and for the city to be able to keep a tremendous asset like this, repurpose it into affordable housing, and then position it for the next 100 years as well."

### **Replicable Model and Lasting Impacts**

There are creative opportunities across the United States to revitalize abandoned school structures and create affordable, low- and mixed-income homes that residents can be proud to live in. Having a safe place to call home can be transformative to both families living successfully in these units and to communities by making old, forgotten, and abandoned structures revitalized with new purpose and breathing new life into blighted areas.

### **Visual Aids**

[Photos of Preservation and Rehabilitation Efforts](#)