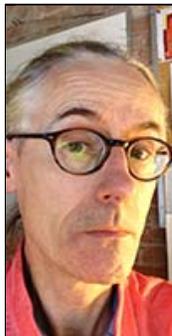


Phinney Flats project referenced in article. Also stunning number of these units they have built. Clearly this is a cash cow. So they CAN afford parking!



March 9, 2017

## On the Block: Is Minnie Flats the future of workforce housing?



**Brian Miller**  
Real Estate  
Reporter

**Kelten Johnson** of **Johnson & Carr** is giving us a tour of **Minnie Flats**, at 101 Denny Way, which opened in December at the sharp intersection of First Avenue. So I ask him, what do we call apartments like these: Apodments? Small efficiency dwelling units (or SEDUs)? Micro-housing? What?

Johnson just rolls his eyes at the question, having given up on the approved land-use terminology, and says, "I just call it workforce housing."

What with **HALA** and the "**Grand Bargain**" between the city and developers, which promises to create more affordable housing in exchange for taller towers, it's easy to let jargon and theory obscure the fundamentals of Seattle's constrained, in-city housing market.

Let's review those constraints: not enough affordable, available land; small, increasingly difficult and sometimes polluted sites (more on that below); a years-long review process to get permits; high labor costs; neighborhood opposition; parking requirements (or the lack thereof); and the endless complexities of codes and zoning. And we're just talking now about building, not financing.

The six-story, 83-unit Minnie Flats project is a case in point. Planning began in 2013. In December of 2014, a Johnson & Carr LLC paid \$1.38 million for the triangular, 5,811-square-foot site, or \$237 per square foot. It was formerly the home of **Caffe Minnie's**, which closed in 2007, hence the name.

"It took us about two years to get a permit," says Johnson, "and about one and one-half years to build."

Preleasing began last fall, and the building is now 60 percent leased. The leasing agent is **Pacific Living Properties**.

The average unit size is 290 square feet, with an average rent of \$1,300.

Johnson is handling the leasing of the commercial space, which measures about 2,600 square feet. "It's a difficult space because of the size. I'm committed to anything. I'd like a pub. It completes the project when you get something exciting on the bottom." He'd also be happy with a neighborhood pizza place or grab-and-go eatery that would benefit from such a high-visibility location. Signage would hang very nicely from the rust-red prow of Minnie Flats.

Johnson, eager to make a deal, said a new pub or diner could call itself Minnie's: "I'd let them use whatever name they want."



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

**The prime, pointy retail space in Minnie Flats is still available for lease.**

Hungry, thirsty customers wouldn't be lacking. **Trammell Crow** is planning 164 units directly across Denny (replacing the building that houses **Tini Bigs** cocktail lounge). And the Uptown-Lower Queen Anne-Belltown areas are bustling with new housing for young tech workers — and others — who take the Denny corridor to reach Amazonland each day.

Not all those workers are high-paid engineers looking for high-end units (and, possibly, to store their cars all week in an underground parking garage). The broader rental demographic is new in town, starting a career, paying down student loans and rarely — if ever — hosting large dinner parties. They want a place to crash at night, not a “Frasier”-sized fantasy apartment.

“That's our business model — we're always trying to target the largest group,” says Johnson. “We just want to be in a good location within walking distance to downtown or close to transit. This is a great location, surrounded by cool stuff.”

The odd little site was initially presented to Johnson and his partner, **Tyler Carr**, by broker **Tyler Springer** of **SRE**. At the time, Johnson recalls, “People had difficulty with small triangular parcels where you couldn't park. I would say it's more difficult to develop a triangular site. **Mad Flats** was a triangle, too.” (That 57-unit Johnson & Carr project, at 1523 E. Madison St., was completed last summer.)

Nonetheless, he and Carr — both in their 30s — jumped at the opportunity. No parking was required, and that meant no excavation, which was good news in an area with soil contamination from old gas stations along Denny.

The Minnie team included architect **Skidmore Janette**, contractor **W.G. Clark**, structural engineer **Swenson Say Faget**, civil engineer **Blueline Group** and landscape architect **GHA**.

Four years after finding the Minnie site, buildable land is even more scarce. “Now we're having difficulty finding sites,” Johnson says. “Land prices are crazy, and construction costs are crazy.” Then there's permitting and approvals. “We've done streamlined design reviews, and it still took two years.”



Image by Skidmore Janette [\[enlarge\]](#)

**Johnson & Carr favors small, dense, infill projects like this one: the 57-unit Phinney Flats at 6726 Greenwood Ave. N.**

As the city's definition of micro-housing and SEDUs has changed, says Johnson, “Our units have gone from 200 to 300 to 400 square feet. We were sick of the city constantly changing on us.” As the rules changed, the old congregate housing and apodment models no longer made financial sense, he says.

He and Carr will also forgo the multifamily tax exemption program (MFTE) in the future. When it comes to HALA, he remains skeptical.

Since Johnson & Carr favors smaller, denser, infill development, “We're getting appealed left and right” by neighborhood groups. That's happening now with **Phinney Flats** at 6726 Greenwood Ave. N. They want to build 57 units with no parking, and have met stiff local resistance. “It depends who you're building next to,” says Johnson of the neighbors. Greenwood has a mix of single-family and multifamily zoning, as opposed to Belltown or the area on Capitol Hill where Johnson & Carr built **Mad Flats**.

Their other current projects include **Boylston Flats**, with 107 units at 1404 Boylston Ave.; **1715**, with 34 units at 1715 12th Ave.; **Pike Flats**, with 90 units at 722 E. Pike St.; and **Redwood Apartments**, with 75 units at 111 21st Ave.

Outside Minnie Flats' front door, there's a steady stream of young tenants with dogs exiting and entering the building. Next to the lobby, a large bike room faces First, instead of being buried in back. “I'm a big biker,” Johnson says. “I think it's awesome to have that in front.” It also announces that, hey, this a young, modern, car-free building.

Inside, tall ceilings make the units seem more spacious. “It’s pretty much the same finish as market-rate,” says Johnson. Indeed, the appliances are compact — like a two-burner stove — but hardly seem cheap.

This is a big step up from college dorms. There might not be room for a Murphy bed, but the dimensions are right for an **Ikea** fold-out. Coin-op laundry alcoves are on each floor, instead of in a dank basement. (But again, there is no basement.)

As Johnson and I tour the building, art is being installed on the elevator landings by **Grand Image Art**. “They’re awesome,” says Johnson. “They’ve done all our projects.”

But the rooftop is where Minnie Flats really shines, with killer views of Elliott Bay, the P-I globe and Space Needle. Decks and a barbecue station are ideal for entertaining, during summer at least. Solar panels and greenscaping lend to the vibe.

Once it’s fully leased, however, Johnson & Carr won’t be selling Minnie Flats. “Our model is to own them,” says Johnson. “We’re long-term owners. Cash flow is the goal. Tyler and I started six and one-half years ago. We’ve done about 1,000 units in the past six years.”

He and Carr use a combination of equity investors and loans to finance their projects.

Whatever the obstacles to development, he says, “We’re doing great. That’s what so cool about being a developer — you’re constantly learning.”

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

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**Irene Wall** · 6 days ago

Johnson and Carr need to get out of their development rut. The Phinney site is, as the author alludes, wholly different than the Minnie Flats site. J&C should take a clue from the Isola project across the street and proposed a more suitable development with fewer units and on-site parking. If cash flow matters, build something that will give them long term returns and give the neighborhood the type of housing that’s needed, not just another of their cookie cutter closets masquerading as real living space.

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