



# Denver Apartments Get Update, Expansion

**16**

**DENVER, COLO.**

LEAD DEVELOPER  
**DENVER HOUSING AUTHORITY**

CONGRESSIONAL DISTRICT  
**COLORADO 1ST**

RENTAL HOMES  
**96**

CATEGORY  
**FAMILIES, PRESERVING EXISTING  
AFFORDABLE, GREEN DEVELOPMENT**



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What should you do with aging public housing? Renovate and expand it, if you're the Denver Housing Authority (DHA). That's what the organization did with the South Lowell Apartments, which opened in 1973. After the renovation, the aging complex is now a vibrant community with plenty of new amenities.

"This was an opportunity to provide the ability to transform this project into a beacon for public housing," said Aaron Krasnow, vice president and investment manager at RBC, which provided nearly \$5.5 million in equity investment in 4 percent low-income housing tax credits (LIHTCs) for the property. He said RBC was interested because "the rehabilitation on a per-unit basis was significant" and because "we could help turn this into an asset for the people who need it most."

Those people got more than they had. The overhaul included completely renovating the original doughnut-shaped building and adding a four-story, 28- rental home building in the interior courtyard, making it a "building within a building." The idea was to get the most out of the 3-acre property.

South Lowell Apartments, which opened in 2013, are now more than 100,000 square feet, including more than 26,000 square feet in the addition. There are

18 one-bedroom apartments, 72 two-bedroom rental homes and six three-bedroom rental homes, all reserved for residents earning 50 percent of the area median income (AMI) or less. There are three communal laundry rooms; a common room with a television, lounge area and kitchenette; a manager's office; a maintenance office and storage space; a vegetable garden and an outdoor water park for children.

The rental homes feature Energy Star-rated appliances,

including dishwashers and garbage disposals; air conditioning; ceiling fans; outdoor patios and vinyl composite flooring. "This was an opportunity to extend the useful life of an old and inefficient building by addressing the long-term capital needs of the building," said Ben Glispie, Southwest regional manager at Chase Community Development Banking, which provided a \$10 million construction loan.

The challenges were clear. Most obvious was designing a new building that fit inside the interior courtyard of the original building. The biggest hurdle, according to Joseph Vigil, partner and architect at WORKSHOP8, the architect for the property, was getting approval from the fire department. It needed access to the property and got it with an opening in the original building.

Residents seemed happy: the development reached 100 percent capacity within three months. ❖

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<b>FINANCING</b>	
<ul style="list-style-type: none"> <li>\$10 million in private activity bonds from Colorado Housing and Finance Authority</li> <li>\$10 million construction loan from Chase Bank</li> <li>\$5.5 million 4 percent LIHTC allocation from Colorado Housing and Finance Authority</li> <li>\$5.5 million 4 percent LIHTC equity investment from RBC Capital Markets' Tax Credit Equity Group</li> <li>\$5.3 million in capital funds from HUD via the Denver Housing Authority</li> <li>\$3.3 million in proceeds were generated through an Energy Performance Contract in conjunction with Citi Bank</li> <li>HUD will provide South Lowell with \$308 per unit, per month under its Annual Contribution Contract</li> </ul>	