



Broader development on 14 acres to include businesses, offices

6-story building set near downtown

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A six-story building to house low-income seniors is set to rise just west of downtown, on vacant land near Interstate 10.

The Arizona Department of Housing just awarded the project - for now called the New Armory Building - an annual allotment of \$2.85 million in low-income-housing tax credits for the next 10 years.

The federal tax credit is the largest reserved for any such project in the state, and it leaves little time for construction to languish. For investors to qualify, the 143-unit building has to be occupied by the end of 2012.

The \$26 million housing project is one component of a 14-acre, commercial and residential development south of Congress Street on the west side of I-10.

The development is within Rio Nuevo's boundaries, but the developer says it's being funded through private investment.

An 85-unit, mixed-income project that will include 24,000 square feet of ground-floor retail and 6,000 square feet of office space is slated for completion about the same time as the low-income housing.

It will all be on vacant land that for years was occupied by a 70,000-cubic-yard pile of dirt.

The Gadsden Co. acquired the land from the city in 2008 through a competitive request for proposals, and under terms of the transaction, it was required to include low-income housing.

"What we're trying to do is make sure there's availability for mixed-income individuals to find housing downtown," said City Councilwoman Regina Romero.

Gadsden plans to reserve about 140 of 450 total housing units in the overall project for affordable housing, said Adam Weinstein, a Gadsden partner.

"We're trying to build quality infill housing for a diverse population - not just a high-end product." Weinstein said.

In December 2009, Gadsden was approached by Steven Greenbaum of the Chicago-based Senior Housing Group. Greenbaum had contracted to buy Armory Park Apartments, a nearly 40-year-old, low-income building for seniors at 211 S. Fifth Ave. Under the contract, Greenbaum agreed to improve the apartments or build a new structure to house the seniors.

Sprucing up that building would have been expensive, Greenbaum said. He began to look at other options to house the seniors, as well as to preserve low-income housing subsidies the building's owner was receiving.

Looking around downtown, Greenbaum decided the Gadsden property was a good location. He said a new project would let him to provide new amenities for residents. Also, because federal restrictions on the Armory Park Apartments were set to expire at the end of 2013, there no longer was any legal requirement for the owner to keep that building affordable.

Greenbaum worked with The Gadsden Co. to buy some of its land. That transaction should close at the beginning of December, Weinstein said.

Greenbaum is still working to nail down investors who will pay for the low-income apartments, but he said there's substantial interest.

What will become of the existing low-income apartments near Armory Park hasn't been determined yet, Greenbaum said.

Though the timeline may change, Weinstein said, the plan is to have the entire \$300 million, 14-acre development finished in about 10 years.

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