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AFFORDABLE HOUSING FINANCE

Arizona Firm Digs in on 'Attainable' Rental Housing

Greenlight Communities aims to provide workforce housing without using government programs.

By [Donna Kimura](#)



Greenlight Communities is scheduled to open its first two new construction properties under its Cabana brand in April in Phoenix. The developers describe the communities as "attainable" housing for the workforce.

Two new apartment communities are aiming to fill the void between affordable and luxury apartments in Phoenix.

The first project, the \$32 million, 226-unit Cabana on Washington, will welcome its first residents in April. The 252-unit Cabana on 12th is also scheduled to open the same month. They will be the first new construction projects in the Cabana brand by Scottsdale, Ariz.-based Greenlight Communities.

The firm aims to serve teachers, first responders, health-care workers, and others struggling with rising rents. These households earn too much for many affordable housing properties but not enough for the luxury communities being built in the booming Phoenix market, where "rent growth is expected to remain strong this year, bringing the average effective rent up to \$1,280 per month after a 9.7% advance was registered last year," according to a 2020 Marcus & Millichap forecast.

Rents at the Cabana properties will be \$300 to \$500 per unit below market rates, says Dan Richards, a partner in Greenlight along with Patricia Watts and Rob Lyles. The team, which also founded Deco Communities and Starpointe Communities, began the Cabana brand several years by doing seven acquisition-rehab deals with about 1,200 units. Six are in Phoenix, and one is in Las Vegas.



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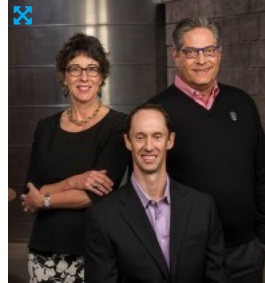
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With \$150 million in capital raised, the company is now expanding the brand with several construction projects featuring studio, one-, and two-bedroom apartments. "No one is building this new build, attainable product," Richards says. "There are some renovations going on but nothing with the new building codes and innovative construction techniques delivering this product at this price point."

Greenlight hopes to provide an "attainable" option so someone who's making about \$40,000 a year can still live alone and not double up in an apartment, according to Richards.

The communities have drawn early praise from Kareem Neal, Arizona's 2019 Teacher of the Year. He's been teaching special education at Maryvale High School in Phoenix for 23 years. Even working a second job, Neal says finding attainable rental housing on his teacher's salary has been a huge financial burden. Only after decades of struggling to make high rent payments was he able to save enough money to put a downpayment on a condo for purchase. His \$1,600 monthly mortgage is equivalent to what he was last paying in rent fees for a one-bedroom condo.



Patricia Watts, Rob Lyles, and Dan Richards (front) are partners in Scottsdale, Ariz.-based Greenlight Communities.

"For 23 years I've worked two jobs and struggled to pay increasingly high rents for a one-bedroom apartment," Neal said in a statement released by the company. "Greenlight Communities is doing what we've needed developers and others in the country to do for a long time."

There's no single step or solution that's allowing the company to hit its price points. Instead, its secret sauce is a combination of factors, including making as many of the design components as repeatable as possible as well as Greenlight taking on the general contractor role, Richards says. No taxpayer dollars or government programs are involved.

"We're streamlining a lot of the costs and delivery timing because we're our own general contractor," he says. "That's another piece of really delivering this product."

The savings can then be passed down to the residents who can rent a brand-new apartment for as little as \$830 a month.

In Greenlight's model, all the communities are designed with individual buildings centered around large common courtyards that feature either pools, Zen gardens, outdoor fitness areas, and other amenities designed to encourage community interaction.

Just as Cabana on Washington and Cabana on 12th are wrapping up construction, the firm plans to begin construction on two projects in Scottsdale and Mesa, Ariz., in the next several months. It also has another handful of projects in the pipeline.

As many households struggle to afford housing, "This is the product that Phoenix and the nation needs," Richards says.

ABOUT THE AUTHOR



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Donna Kimura is deputy editor of Affordable Housing Finance. She has covered the industry for more than a decade. Before that, she worked at an Internet company and several daily newspapers. Connect with Donna

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